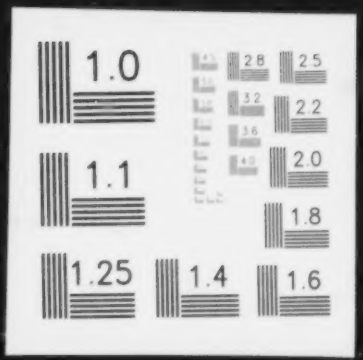
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SASKATCHEWAN

Report of the Provincial Auditor

to the Legislative Assembly
of Saskatchewan

Understanding the Finances of the Government

2003 Report
Volume 2

Provincial Auditor Saskatchewan

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Vision

We envision effective, open, and accountable government.

Mission

We serve the people of Saskatchewan through the Legislative Assembly by fostering excellence in public sector management and accountability.

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SASKATCHEWAN

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August 12, 2003

The Honourable P. Myron Kowalsky
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour of submitting my *2003 Report - Volume 2*, to be laid before the Legislative Assembly in accordance with the provisions of Section 14 of *The Provincial Auditor Act.*

Respectfully yours,

Fred Wendel, CMA, CA
Provincial Auditor

/dd

Foreword

I am pleased to present my *2003 Report – Volume 2* to the Legislative Assembly. This Report focuses on understanding the finances of the Government. Later this year, I will present Volume 3. Volume 3 will include the results of our work at government organizations with years ended March 31, 2003.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
August 12, 2003

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Executive summary

In this report, we have two focuses. First, is the financial condition of the Government. Second, is the Government's Budget and the need for a financial plan for the entire Government.

For our first focus, we measure the financial condition of the Government by using indicators from a research report commissioned by The Canadian Institute of Chartered Accountants. First, we measure whether the Government is living within its means. Second, we measure the Government's flexibility to meet rising commitments by increasing its revenues or increasing its accumulated deficit. Third, we measure the extent to which the Government relies on money from the Federal Government to pay for existing provincial programs.

Using these indicators, we conclude that the state of the Government's finances weakened over the past year. In 2003, the Government did not live within its means. The Government spent $654 million more than it raised in revenue. This increased the Government's accumulated deficit to $9.3 billion and thus reduced the Government's flexibility to meet its commitments.

On the positive side, in 2003, the Government increased its own source revenues to $6.1 billion from $5.4 billion in 2002. As a result, the interest bite[1] on the Government's revenues declined and the Government relied less on the Federal Government to pay for provincial government programs. Also, Saskatchewan's finances continue to compare favourably with most other provinces.

However, there are significant risks to the state of the Government's finances. Saskatchewan's accumulated deficit of $9.3 billion is large for our population of one million people. In addition, the state of the Government's finances remains vulnerable to the risks of changes in commodity prices, interest rates, and the weather. As the 2003 results show, the Government's programs for income support to farmers and fire-suppression are costly during periods of drought. These programs place

[1] Interest bite is an indicator of the state of governments' finances. The indicator measures interest costs as a percentage of revenue and shows the extent to which a government must use revenue to pay interest costs rather than to pay for programs and services.

significant risks on the Government's finances. For example, during the drought the Government's cost of the crop insurance program was about $480 million in 2003 and $200 million in 2002. Also, fire-suppression costs were $115 million in 2003 compared to $37 million in 2001.

The second focus of this report is on the Government's Budget. In 2002, we recommended that the Government publish a financial plan for the entire Government.

In March 2003, the Government announced it would present a summary financial plan for the entire Government as part of its 2004-05 budget package. In October 2002, the Standing Committee on Public Accounts asked the Department of Finance to work with our Office on a summary financial plan. Finance consulted with us and proposed a model that was conceptually similar to the model that we proposed in our 2002 Fall Report Volume 1. We are satisfied with Finance's proposed model. We look forward to the Government publishing a summary financial plan. This will be an important step to improve accountability.

Glossary

Annual surplus or deficit – is the difference between revenues and expenditures in one year. This measure shows the extent to which revenues raised in the year were sufficient or insufficient to meet expenditures in that year.

Accumulated deficit (net debt) – is the sum of all annual deficits and surpluses. This deficit is equal to the difference between total liabilities and total financial assets.

Financial assets – are cash and other assets convertible to cash which are not intended for consumption in the normal course of operations, but which could provide resources to pay liabilities or finance future operations. Examples include claims on outside organizations, investments in marketable securities, and inventories for resale.

General Revenue Fund – is a special purpose fund that the Government uses to pay for most of the programs it provides. The financial statements of the General Revenue Fund reflect only part of the Government's activities. The Government sets out a financial plan for the Fund in its annual budget. Transfers to and from other organizations that the Government controls impact the financial results of the General Revenue Fund.

Government business enterprises – are self-sufficient Crown corporations that have the financial and operating authority to sell goods and services to individuals and non-governmental organizations as their principal activity. Examples include SaskPower, SaskEnergy, SaskTel, and the Liquor and Gaming Authority. Their financial results are included in Schedule 3 to the summary financial statements.

Government service organizations – are organizations that are accountable to the Government and are either owned or controlled by the Government, and are not government enterprises. A listing of government service organizations is provided in Schedule 14 to the summary financial statements.

Gross domestic product (GDP) – is a measure of the value of the goods and services produced in a jurisdiction in one year.

Interest bite – measures interest costs as a percentage of revenue and is an indicator of the state of governments' finances. The indicator shows the extent to which a government must use revenue to pay interest costs rather than to pay for programs and services.

Liabilities – are amounts owed. Liabilities include bonds and debentures, pension obligations, and a variety of other payables and claims.

Own source revenue – is the revenue raised by a provincial government from sources within the province and, thus, excludes revenue transferred to a provincial government from the Federal Government.

Summary financial statements – is a report of the financial results of all organizations that the Government uses to provide goods and services to the public. The summary financial statements combine the financial activity of all government organizations including departments, Crown corporations, agencies, boards, and commissions, etc.

Key financial and economic indicators for Saskatchewan

(derived from the Government's summary financial statements)

(in millions of dollars)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Annual Surplus (Deficit)	(752)	(1,676)	(900)	(281)	141	563	545	326	69	406	461	(483)	(654)
Accumulated Deficit	7,879	9,555	10,455	10,736	10,595	10,032	9,487	9,161	9,092	8,686	8,225	8,708	9,284
Gross Domestic Product (GDP)	21,490	21,814	21,373	22,918	24,877	26,828	29,170	29,311	29,567	30,434	33,750	33,593	34,703

(in percentages)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Accumulated Deficit as a % of GDP	37	44	49	47	43	37	33	31	31	29	24	26	27
Interest Costs as a % of Revenue	20	21	24	23	22	20	20	19	18	14	13	13	12
Own Source Revenue as a % of GDP	17	17	18	18	18	20	18	19	18	19	18	16	17
Federal Government Transfers as a % of Own Source Revenue	43	46	37	37	33	19	16	12	21	27	17	28	23

Notes 1. The Government's summary financial statements cover the fiscal year ending March 31.

2. As GDP statistics are not available for a fiscal year, we use GDP statistics for a calendar year in our analysis. For example, the GDP statistic in the 2003 column is for the year ended December 31, 2002. The GDP statistics were obtained from the Saskatchewan Bureau of Statistics. These GDP statistics are not adjusted for inflation.

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Introduction

Our Office is often asked about the state of the Saskatchewan Government's finances. Legislators, government officials, and the public want to know whether the Government's finances are gaining strength or weakening, and why. Also, many want to know where they can obtain information that can help them make their own assessments.

A sound understanding of the Government's finances is an important ingredient to an informed debate about the issues faced by the Government. Those issues pertain to the affordability of programs and services; the best sources of revenue; and the maintenance of Saskatchewan's infrastructure including its buildings, roads, and dams.

In this report, we set out some financial and economic information to help Saskatchewan people to understand the state of the Government's finances. The information is derived from the Government's statistical reports and from its summary financial statements contained in Volume 1 of the Public Accounts. The 2002-03 summary financial statements are set out in Appendix 3. The information is not adjusted for inflation.

In this report, we focus on the status of several financial and economic indicators for the years 1991 to 2003. The Government has prepared summary financial statements since 1992. In Appendix 1, we also set out other financial information and analyses in the form of questions and answers. This information is included to assist legislators, government officials, and the public to understand the state of the Government's finances.

Interprovincial comparisons

We are also asked how the state of the Saskatchewan Government's finances compares with other provinces. Therefore, we include several graphs that will assist readers to compare the state of Saskatchewan's finances to those of other provinces. The most recent year for which complete information is available for all provinces is for the year ended March 31, 2002. This information is one year older than the information used in the rest of this report. Saskatchewan completes its Public Accounts earlier than most other provinces.

Readers of these graphs should be aware that provincial governments are organized differently and that this can result in differences in how sectors of government are reported in their financial information. For example, some provincial governments include the results of health districts in their summary financial statements, while others do not. Also, the economic characteristics of provincial economies differ. For example, some provincial governments obtain significant revenue from non-renewable resources such as oil and gas, while others do not.

To prepare these graphs, we used Gross Domestic Product (GDP) statistics for the year ended December 31, 2001, which we obtained from Statistics Canada. This information was prepared for each province and is available on the Internet at: http://www.statcan.ca/english/Pgdb/econ15.htm. In addition, we used financial information from the audited summary financial statements prepared for each province for the year ended March 31, 2002.

The state of the Government's finances

The state of the Government's finances weakened in 2003. In 2003, the Government spent $654 million more than its total revenue. This increased the accumulated deficit to $9.3 billion and reduced the Government's flexibility to meet its commitments.

In the last two years, the Government spent $1.1 billion more than it raised in revenue. In this two-year period, Saskatchewan has suffered from back-to-back droughts, which have severely affected the agricultural economy.

On the positive side, in 2003, the Government's own source revenues increased to $6.1 billion from $5.4 billion in 2002. As a result, the interest bite on the Government's revenues was reduced and the Government relied less on the Federal Government to pay for provincial government programs. In addition, the state of the Government's finances continues to compare favourably with other provinces.

However, there are significant risks to the state of the Government's finances. The Government's accumulated deficit of $9.3 billion is large for a population of one million people and recent experience shows that the

state of the Government's finances remains vulnerable to the risks of changes in commodity prices, interest rates, and the weather.

One of the risks to manage is the impact of drought on the Government's expenditures. During periods of drought, the Government spends more money on agricultural assistance programs for farmers and on fire-suppression programs. For example, due to the impact of drought, crop insurance payouts increased from $133 million in 2001 to $331 million in 2002 and $1.1 billion in 2003. Because this program is cost shared with the Federal Government and the producers, the cost of the crop insurance program for the Government was about $480 million in 2003 and $200 million in 2002. Also, in 2003, fire suppression costs increased to $115 million compared to $50 million in 2002 and $37 million in 2001.

The Government must carefully manage the risks to its future revenues and expenditures. A downturn in Saskatchewan's economy would require the Government to make difficult decisions on revenue raising and spending.

Key indicators of the state of a government's finances

Governments should publish financial and economic information to help people assess:

- The ability of a government to meet its existing program commitments and creditor requirements without increasing its accumulated deficit – **sustainability**.

- The degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenues or by increasing its accumulated deficit – **flexibility**.

- The degree to which a government becomes dependent upon, and thus, vulnerable to sources of funding outside of its control or influence – **vulnerability**.

There are several financial and economic indicators that can help people make these assessments. The trends in these indicators provide insight into the state of a government's finances. The Research Report entitled *Indicators of Government Financial Condition*, commissioned by The

Canadian Institute of Chartered Accountants, further describes these indicators.

In this report, we discuss these indicators in the Saskatchewan context. Each indicator can and should be analyzed in detail, combined with other information, and monitored over time. The Government should include such an analysis in performance reports. Performance reports show planned and actual results. Publishing performance reports would also provide the Government with the opportunity to set out its thinking on the underlying issues, the status of its key performance indicators, and its plans for the future.

Five other provincial audit offices and some provincial governments use similar indicators to report on the state of government finances in their jurisdictions. Also, in 2000, The Canadian Institute of Chartered Accountants used similar indicators to measure progress on the state of the Federal Government's finances.

Sustainability

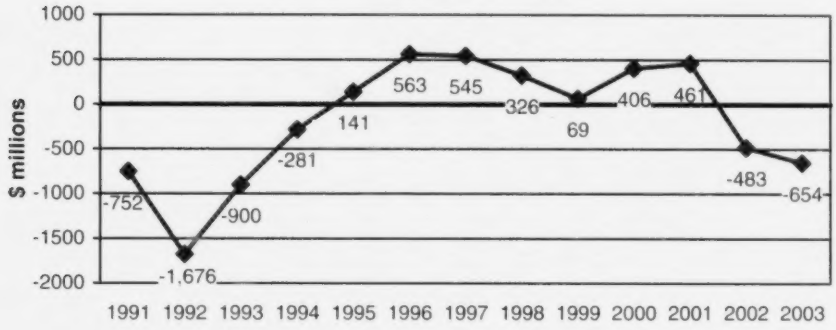
A government's annual surplus or deficit, its accumulated deficit, and a province's gross domestic product (GDP) are important indicators of the state of a government's finances. Each of these indicators provides useful insight into the **sustainability** of a government's revenue-raising and spending practices.

The annual surplus or deficit shows the extent to which a government spends less or more than what it raises in revenues in one fiscal year. In simple terms, it shows whether a government is living within its means.

Graph 1 shows the Government lived beyond its means in 2002 and 2003. However, the Government lived within its means for the previous seven years. During this nine-year period, the Government spent $1.4 billion less than the revenue it raised. The $1.4 billion includes about $0.8 billion of revenue from the sale of investments such as the Government's shares in Cameco.

Graph 1

The Government's Annual Surplus or Deficit



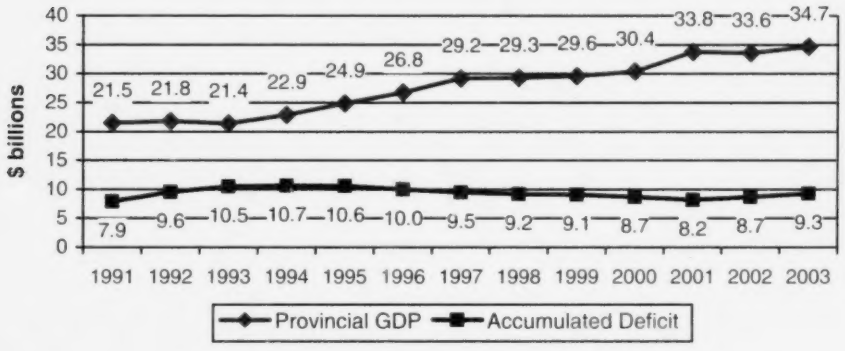
The accumulated deficit is the sum of all annual deficits and surpluses. The Government's accumulated deficit is the amount that current and past generations of Saskatchewan citizens are leaving to future generations of citizens to pay or finance. On March 31, 2003, the accumulated deficit was $9.3 billion (see Graph 2).

The Province's GDP is a measure of the total value of all the goods and services produced in Saskatchewan in one year. The GDP indicates the size of the provincial economy. The Government must manage its revenue-raising and spending practices in the context of the economy of Saskatchewan.

Since 1991, the GDP of Saskatchewan has increased by 61% (unadjusted for inflation). During the same period, the consumer price index increased by 31%. In 2003, the GDP of Saskatchewan was $34.7 billion (see Graph 2).

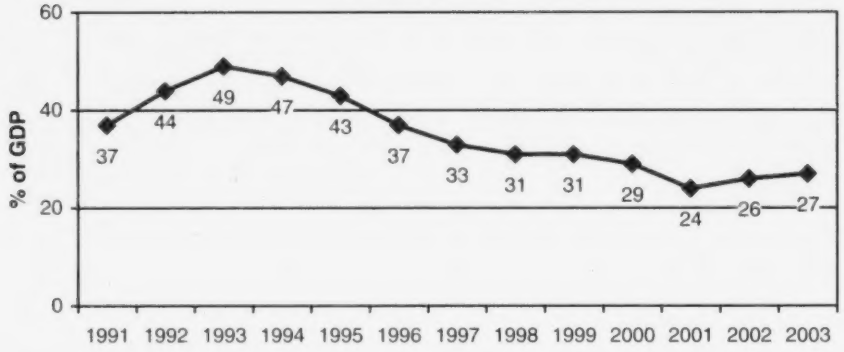
Graph 2

The Province's GDP and the Government's Accumulated Deficit



The financial demands placed on the economy by the Government's spending and revenue-raising practices can be assessed for sustainability by comparing the Government's accumulated deficit to the Province's GDP (see Graph 3). This graph provides a measure of how much debt the Government can afford to carry. The thinking behind this measure is that the larger the GDP the more debt the Government can afford to carry.

Graph 3 **The Government's Accumulated Deficit as a % of GDP**



This graph shows that from 1991 to 1993 the trend in the Government's spending and revenue raising practices was not sustainable. If that upward trend had continued, the Saskatchewan economy would not have been able to meet the financing needs of a growing accumulated deficit. During these years, the credit rating of the Government was lowered. The Government had access to fewer sources for borrowing, paid higher interest costs, and was more dependent on equalization payments from the rest of Canada through the Federal Government.

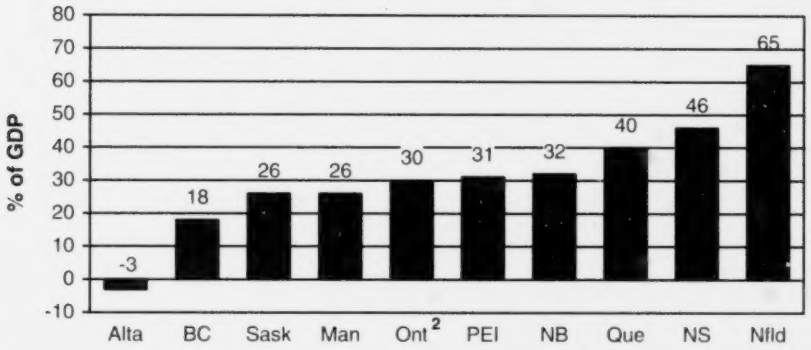
Saskatchewan's economy has grown over the past thirteen years. Also, between 1995 and 2001, the Government spent less than it received in revenues. As a result, the accumulated deficit as a percentage of GDP decreased. This downward trend enabled the economy to better sustain the demands placed on it by the Government. The public benefited by the improved credit rating of the Government. The Government has more sources for borrowing and pays lower interest costs. Also, the Government relies less on equalization payments.

In 2003, the accumulated deficit as a percentage of GDP increased from 26% to 27% because the Government spent more than it received in revenues and the economy did not grow enough to compensate. The

increase for 2002 and 2003 is a change from the downward trend of the previous eight years. The Government will need to carefully manage its future revenues and expenditures to ensure that the benefits obtained over the past ten years are maintained. These benefits include more flexibility regarding revenue-raising and spending decisions and lower interest costs.

In graph 4, we compare accumulated deficit as a percentage of each province's GDP as at March 31, 2002. This graph shows that Saskatchewan's accumulated deficit as a percentage of Saskatchewan's gross domestic product is the third lowest in Canada. Saskatchewan was also the third lowest at March 31, 2001. This means that the Saskatchewan economy is better able to sustain the demands placed on it by the Government than most other provinces.

Graph 4 Interprovincial Comparison of Accumulated Deficit as a % of GDP as at March 31, 2002



Flexibility

A government's interest costs, capital assets, and own source revenues are also important indicators of the state of its finances. Together with a government's accumulated deficit and a province's GDP, these indicators provide insight into a government's **flexibility** in responding to rising commitments. For example, when a government has a large accumulated deficit and high interest costs, it has fewer resources to allocate to programs and services.

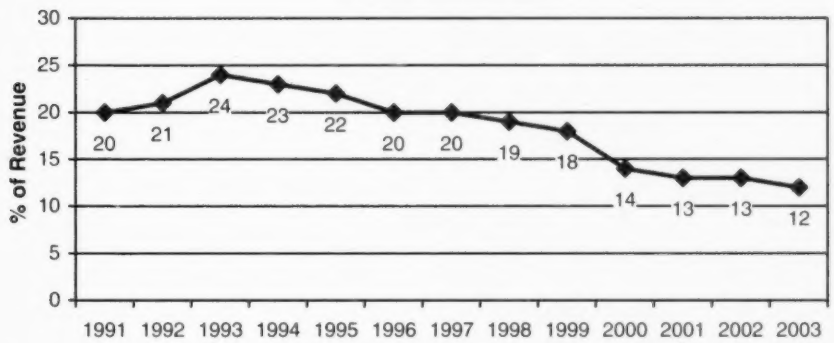
[2] Accumulated deficit includes stranded debt of $20 billion. Stranded debt represents debt accumulated in a regulated electricity market that cannot be reasonably serviced or retired in a competitive electricity market.

The Government incurs interest costs on its debt of bonds and debentures and its unfunded pension liabilities. At March 31, 2003, the Government's debt of bonds and debentures was $8.5 billion and its unfunded pension liabilities were $4.0 billion. The money to pay interest costs is raised by levying taxes or by charging directly for services. In 2003, the Government's interest costs were $0.9 billion. To put that $0.9 billion in perspective, in the same year, the Government spent $1.0 billion on education and $2.6 billion on health.

The trend in interest costs as a percentage of total revenue, sometimes called the "interest bite," is an important indicator of the state of a government's finances. This indicator shows the extent to which a government must use revenue to pay interest costs rather than to pay for programs and services.

Graph 5 shows how much of every dollar of the Government's revenue was needed to pay for interest costs. In 1993, twenty-four cents of every dollar was needed to pay for interest costs. Since 1993, the amount of revenue the Government needed to pay for interest costs has declined. In 2003, twelve cents of every dollar of the Government's revenue was needed to pay for interest costs.

Graph 5 **The Government's Interest Costs as a % of Revenue**

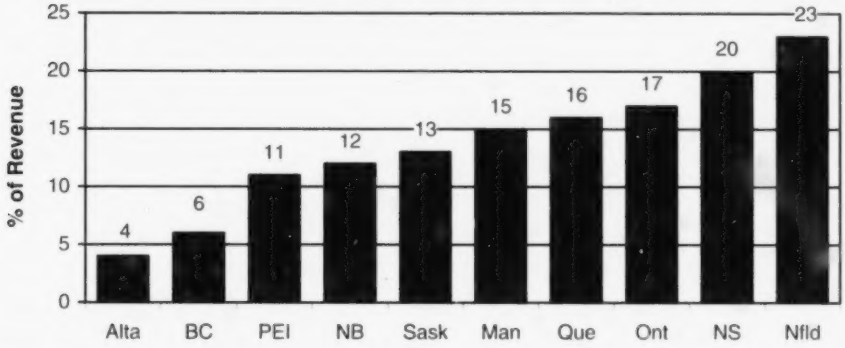


Because of the reduction in the interest bite, the Government can now use more of its revenues to pay for programs and services, and use less of its revenues to pay for the interest costs of debt. Interest costs peaked in 1995 at $1.3 billion. In 2003, interest costs were $444 million less than in 1995 and $3 million more than in 2002. The reduction in the interest bite is the result of a combination of debt reduction, increased revenue,

and lower interest rates. Although the Government's interest costs are declining, these costs remain significant.

In graph 6, we compare government interest costs as a percentage of government revenue. This graph shows that Saskatchewan's interest costs, as a percentage of revenue, is fifth lowest of the ten provinces at March 31, 2002. Saskatchewan was also fifth lowest at March 31, 2001.

Graph 6 **Interprovincial Comparison of Interest Costs as a % of Revenue as at March 31, 2002**



Graph 7 shows the annual percentage change in the net book value of the Government's capital assets. Governments invest billions of dollars in capital assets such as buildings, equipment, roads, and dams. These assets are essential for the economy and for delivering government services. They are recorded at cost and their value is reduced by amortization as the assets are consumed. At March 31, 2003, the net book value of the Government's capital assets is $3.7 billion (historical cost of $6.8 billion less accumulated amortization of $3.1 billion).

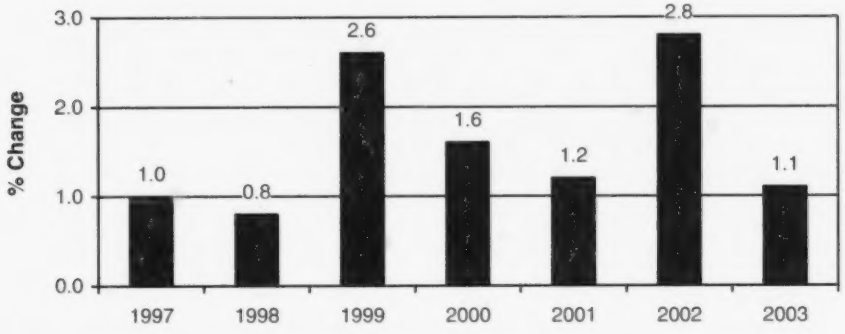
The annual percentage change in the net book value of capital assets is an important indicator because it measures the extent to which a government is maintaining or failing to maintain the capital assets needed to deliver its services. For example, continual decreases in the net book value of capital assets may indicate that a government is not maintaining or enhancing its capital asset base. This can adversely affect service delivery and lead to increased financial burdens on future taxpayers.

Also, the associated costs of restoring the capital asset base could impair a government's ability to pay for other government programs. Although, a failure to maintain essential capital assets can improve a government's

financial results in the short term, such deferral of capital spending will lead to higher costs and poorer financial results in future periods.

Graph 7 shows that for the last seven years the Government has increased the net book value of its capital assets. Since March 31, 1996, the net book value of the Government's capital assets has increased by 12%. We have not provided an inter-provincial comparison for this indicator as complete information on capital assets is not yet available for all provinces.

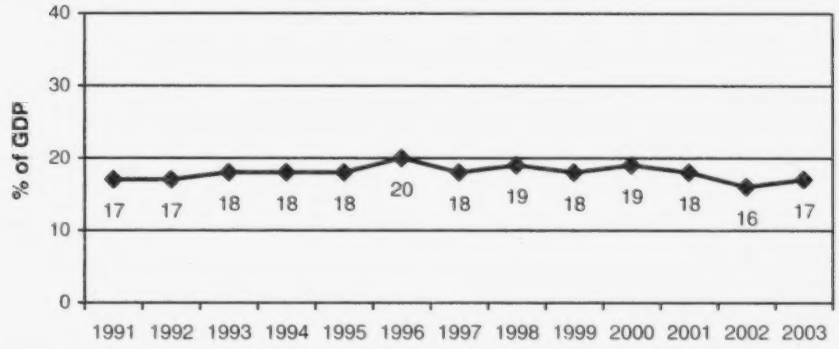
Graph 7 **Annual % Change in Net Book Value of Capital Assets from 1997 to 2003**



Another important indicator of the state of a government's finances is shown by comparing the change in a government's own source revenue to the size of the economy (see Graph 8). This indicator shows the extent of the Government's revenue demands on the Saskatchewan economy. The Saskatchewan Government raises revenue from two general sources. The first revenue source is from within the Province. This source is called "own source revenue." The second source of revenue is transfers from the Federal Government.

Graph 8

The Government's Own Source Revenue as a % of GDP



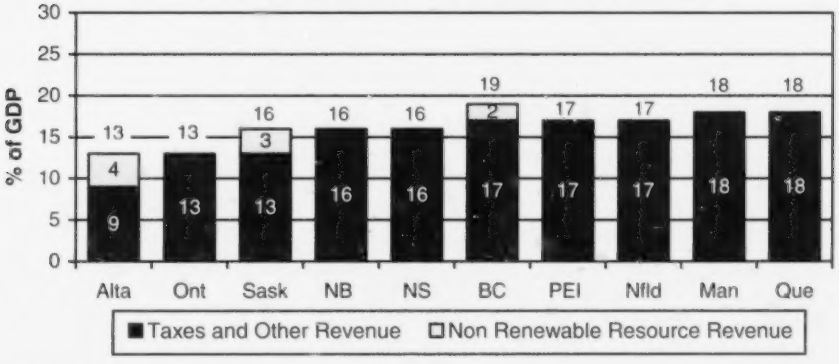
Since 1991, the revenue raised by the Government, as a percentage of GDP from sources within the Province, has remained fairly constant.

In graph 9, we compare provincial governments' own source revenue as a percentage of GDP as at March 31, 2002. This shows the extent of a government's revenue demands on a provincial economy.

This graph shows that Saskatchewan's own source revenue from taxes and other revenue is third lowest of the ten provinces. At March 31, 2001, Saskatchewan was second lowest of the ten provinces. In addition, the graph shows that Saskatchewan has higher revenue from non-renewable resources than most other provinces as a percentage of GDP.

Graph 9

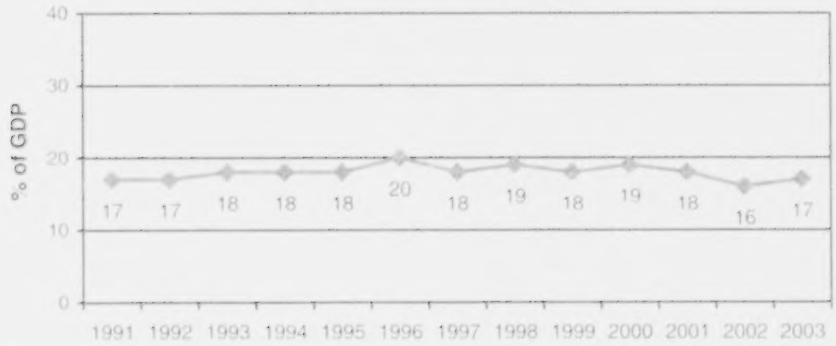
Interprovincial Comparison of Own Source Revenue as a % of GDP as at March 31, 2002



Vulnerability

The extent to which a government raises its own revenue from within the province (own source revenue) as compared to the extent to which it

Graph 8 **The Government's Own Source Revenue as a % of GDP**



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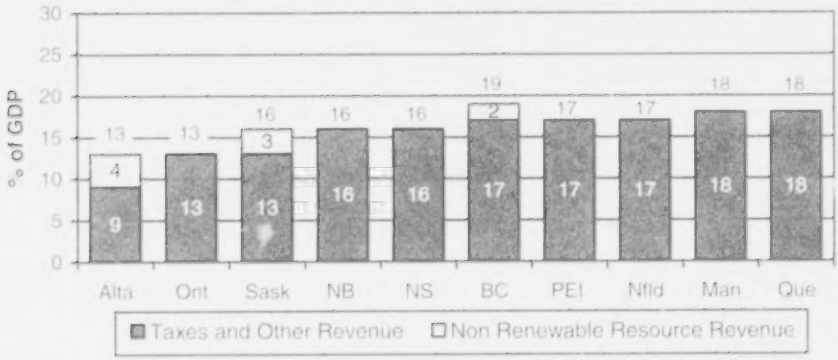
This graph shows that Saskatchewan's own source revenue from taxes and other revenue is third lowest of the ten provinces. At March 31, 2001, Saskatchewan was second lowest of the ten provinces. In addition, the graph shows that Saskatchewan has higher revenue from non-renewable resources than most other provinces as a percentage of GDP.

Graph 9 **Interprovincial Comparison of Own Source Revenue as a % of GDP as at March 31, 2002**



Vulnerability

The extent to which a government raises its own revenue from within the province (own source revenue) as compared to the extent to which it

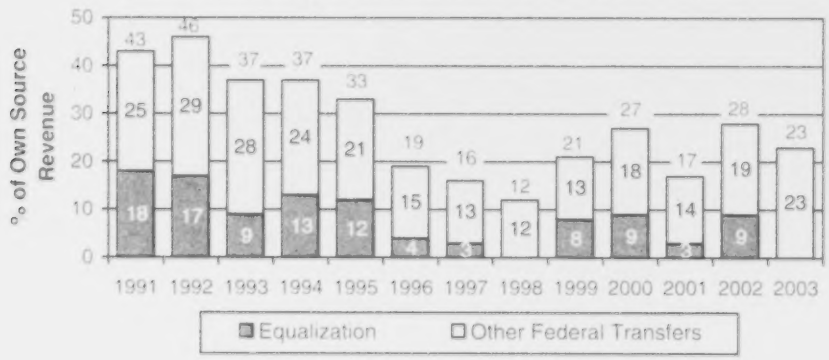
receives revenue transfers from the Federal Government provides another important indicator of the state of a governments' finances. This indicator provides a valuable insight into a governments' **vulnerability** to sources of revenue outside of its control. In simple terms, this indicator measures the extent to which a government can manage its financial affairs without having to rely on others.

A significant portion of the Government's revenue consists of transfers from the Federal Government. These revenue transfers are intended to help pay for the costs of such programs as health, education, social services, and agriculture. In addition, the Government receives equalization transfers from the Federal Government.

The Federal Government calculates the amount of equalization transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government. As a result of this calculation, the annual amount of equalization transfer due to Saskatchewan is significantly affected by the performance of provincial economies, outside Saskatchewan.

Since 1991, revenue transfers from the Federal Government have decreased as a percentage of the revenues raised directly by the Saskatchewan Government from sources within the Province (see Graph 10). Graph 10 also shows the fluctuation in equalization and other transfers from the Federal Government. Other transfers include Canada Health and Social (CHST) transfers, and transfers for education and agriculture.

Graph 10 **Federal Government Transfers as a % of Saskatchewan Government Own Source Revenue**



receives revenue transfers from the Federal Government provides another important indicator of the state of a governments' finances. This indicator provides a valuable insight into a governments' **vulnerability** to sources of revenue outside of its control. In simple terms, this indicator measures the extent to which a government can manage its financial affairs without having to rely on others.

A significant portion of the Government's revenue consists of transfers from the Federal Government. These revenue transfers are intended to help pay for the costs of such programs as health, education, social services, and agriculture. In addition, the Government receives equalization transfers from the Federal Government.

The Federal Government calculates the amount of equalization transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government. As a result of this calculation, the annual amount of equalization transfer due to Saskatchewan is significantly affected by the performance of provincial economies. outside Saskatchewan.

Since 1991, revenue transfers from the Federal Government have decreased as a percentage of the revenues raised directly by the Saskatchewan Government from sources within the Province (see Graph 10). Graph 10 also shows the fluctuation in equalization and other transfers from the Federal Government. Other transfers include Canada Health and Social (CHST) transfers, and transfers for education and agriculture.

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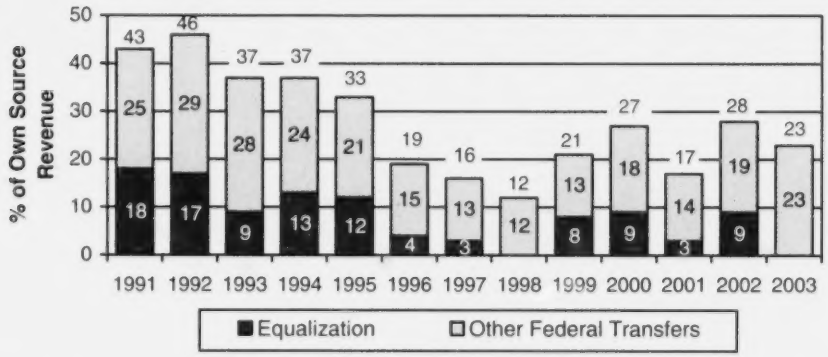


From 1991 to 2001, revenue transfers from the Federal Government decreased from $1.6 billion to $1.0 billion before rising again to $1.5 billion in 2002, and decreasing to 1.4 billion in 2003. Also, revenue raised directly by the Government from sources within Saskatchewan has increased significantly.

For example, since 1991:

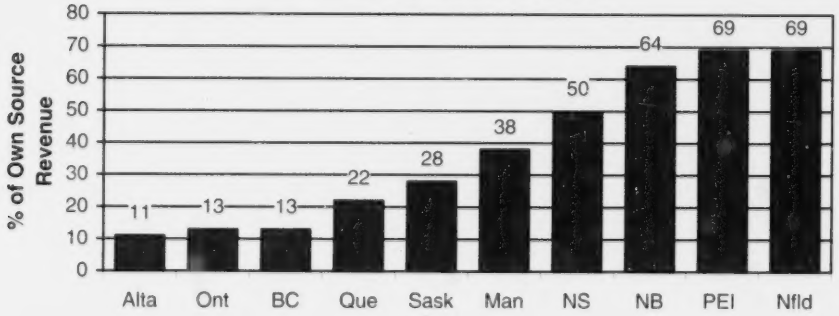
- Taxation revenue increased from $2.0 billion to $3.4 billion in 2003. Over the period, tax revenue increased by 69% while GDP increased by 61%; and
- Non-renewable resources revenue increased from $0.4 billion to $1.2 billion in 2003.

Since 1991, Federal Government transfers as a percentage of the Saskatchewan Government's own source revenue have declined from 43% to 23%. During this period, the Government became less dependent on, and less vulnerable to, sources of revenue outside its control. In 2003, the Government received no equalization revenue from the Federal Government.

More detailed information on trends in the Government's revenues and expenditures is set out in Appendix 2.

In graph 11, we compare Federal Transfers as a percentage of own source revenue at March 31, 2002. This graph shows that Saskatchewan's revenue transfers from the Federal Government as a percentage of own source revenue is fifth lowest of the ten provinces. At March 31, 2001, Saskatchewan was fourth lowest of the ten provinces.

Graph 11 **Interprovincial Comparison of Federal Transfers as a % of Own Source Revenue as at March 31, 2002**



Overall financial planning information needed

In addition to questions about the state of the Government's finances, we are often asked whether the Government is managing our resources in the best possible manner. This is a very difficult question because the answer involves important policy issues related to the role of government and whether individual programs are worthwhile. Such issues are best debated among legislators and the public. However, to know if something is worthwhile, legislators and the public need to know the planned and actual benefits of government programs. They also need to know the planned and actual costs of government programs.

Currently, the Government does not publish a financial plan for the entire Government. Providing a financial plan for the entire Government will help legislators and the public to have an informed debate on issues such as the affordability of new or existing Government programs.

The financial planning information now published by the Government focuses on an incomplete picture of its finances as set out in one government fund called the General Revenue Fund. That picture is not complete because significant Government financial activity takes place outside of that Fund. This activity takes place in Government business enterprises such as SaskTel and SaskPower; and other organizations such as the Saskatchewan Crop Insurance Corporation.

In October 2002, the Standing Committee on Public Accounts asked the Department of Finance to work with our Office on a financial plan for the entire Government. Finance consulted with us and later proposed a model that was conceptually similar to the model that we proposed in Volume 1 of our 2002 Fall Report. We are satisfied with Finance's proposed model.

In March 2003, the Government announced it would present a financial plan for the entire Government as part of the 2004-05 budget package. We commend the Government for announcing that it will take this important step to improve accountability.

Appendix 1 – Other questions and answers

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In this appendix, we set out other financial information and analyses in the form of questions and answers. This information is included to assist legislators, government officials, and the public to understand the state of the Government's finances.

1. Is the Government making the best use of the public's resources?

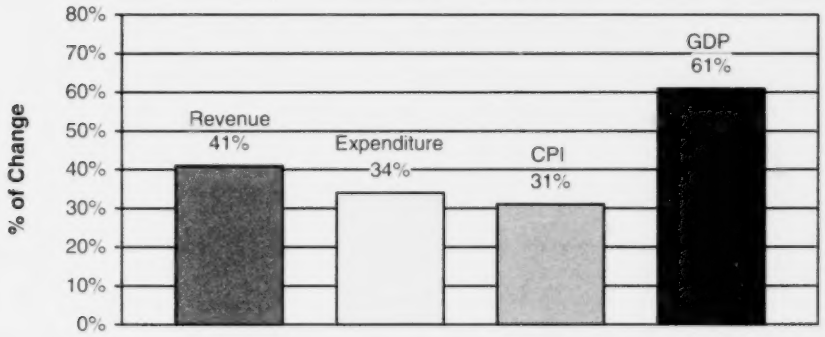
   This is a question that involves important policy issues best left to informed legislative and public debate. However, the Government should do more to foster that debate by publishing planning information for the entire Government, and by publishing a comparison of planned and actual results. For legislators to hold the Government fully accountable they need to know the Government's entire plan and it's expected and actual performance.

2. Is the Government's revenue raising and spending increasing at a rate less than or greater than inflation?

   The following graph compares the percentage changes in revenues and in expenditures to the change in Saskatchewan's consumer price index (CPI) and its gross domestic product (GDP). The revenues, expenditures, and GDP statistics are not adjusted for inflation.

Graph 12

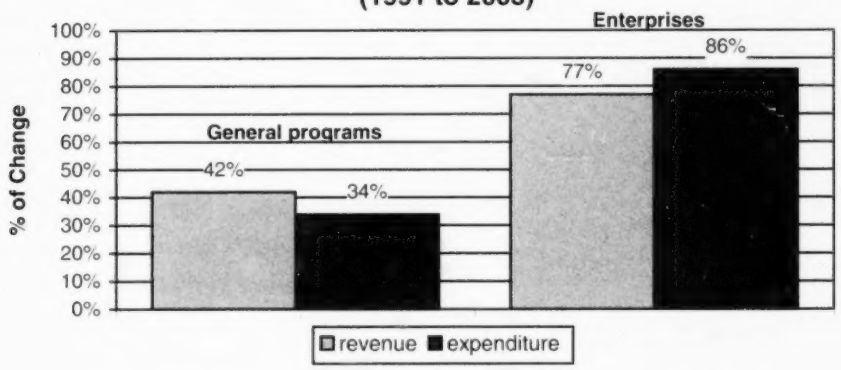
Percentage of Change (1991 to 2003)



3. Is the Government changing the level of activity carried out through its Government business enterprises[3]?

Graph 13

Percentage of Change (1991 to 2003)



As shown in graph 13, from 1991 to 2003, general program revenues increased 42% and general program expenditures increased 34%. General program revenues do not include revenues and expenditures of government business enterprises. In the same period, government business enterprise revenues increased 77% and their expenditures increased 86%. These amounts are not adjusted for inflation.

More detailed information on trends in the Government's revenues and expenditures is set out in Appendix 2.

4. To what extent are the Government's financial results affected by the sale of its investments?

In 1992, the Government recorded a $189 million loss from the sale of shares in Cameco.

In 1996, the Government recorded a $615 million gain from the sale of shares of Cameco, LCL Cable, and ISM.

[3] The Government's business enterprises include Crown corporations such as SaskPower, SaskEnergy, SaskTel, and the Liquor and Gaming Authority. They are included in Schedule 3 to the summary financial statements. These enterprises raise revenue through direct charges for goods and services.

In 1998, the Government recorded a $175 million gain from the sale of shares in Wascana Energy Inc. and the sale of the Bi-Provincial Upgrader.

In 2000, the Government recorded a $69 million gain from the sale of its interests in Saturn Communications Limited and the Saskfor MacMillan Limited Partnership.

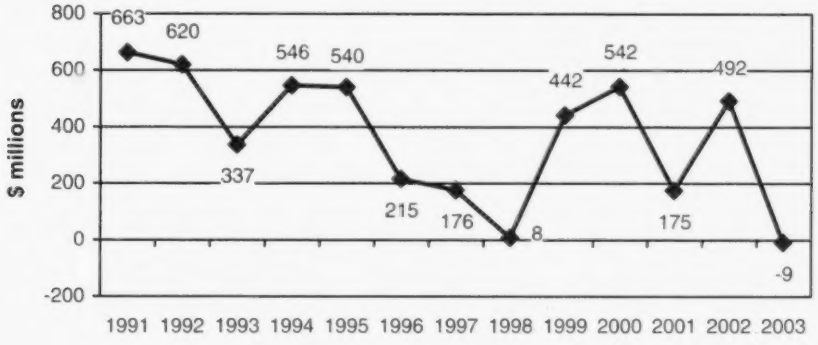
In 2002, the Government recorded a $112 million gain from the sale of its remaining shares in Cameco.

5. How are the Government's finances affected by transfers from the Federal Government for equalization?

The Saskatchewan Government has received transfers for equalization from the Federal Government for many years. The Federal Government calculates the amount of the transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government. As a result of this calculation, the annual amount of equalization transfer due to Saskatchewan is significantly affected by the performance of provincial economies outside Saskatchewan.

The following graph shows the volatility of equalization transfer revenue recorded in the Government's summary financial statements from 1991 to 2003.

Graph 14 **Equalization Transfer Revenue from 1991 to 2003**



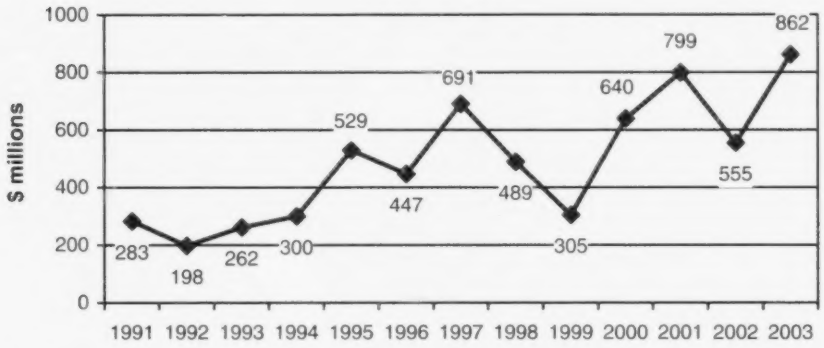
6. What impact have oil revenues had on the Government's finances?

Oil is traded on the world markets and the price fluctuates due to world supply and demand. In recent years, the price of oil has been subject to extreme price swings resulting in similar swings in the Government's oil revenues. Such revenue swings are beyond the control of the Saskatchewan Government.

As shown in graph 15, the impact of changes in oil and other natural resource royalties are significant to the Government's finances. However, the Federal Government deducts a substantial portion of oil and other natural resource royalties from amounts due to Saskatchewan for equalization.

Graph 15

Oil Revenue from 1991 to 2003

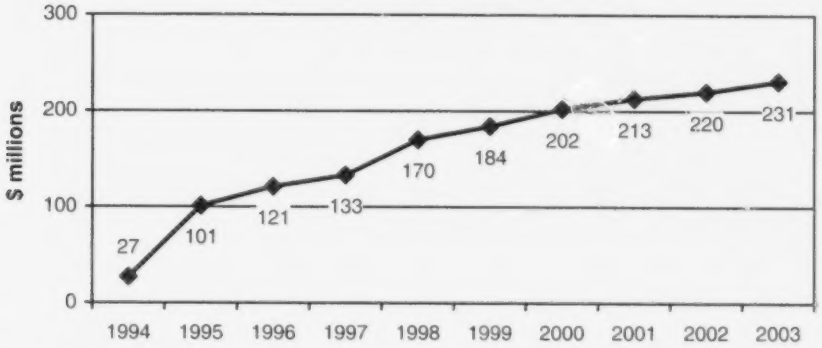


7. What impact have gaming operations had on the Government's finances?

The Government has earned net income from gaming since 1994. Net income is the amount of gaming revenues received by the Government after deducting expenditures for gaming operations. In 1994, the net income from gaming was $27 million. Since then, net income from gaming has increased steadily as shown in graph 16.

Graph 16

Impact of gaming net income on the Government's finances



8. Which items significantly affected the summary financial statements results for 2003?

Taxation revenue increased by $346 million from last year. In 2003, Saskatchewan received $233 million more in personal income tax receipts.

Federal Government transfer revenue decreased by $104 million from last year. This was mainly due to a decrease in equalization revenue of $501 million, offset by increased transfer revenue for agriculture of $330 million, and an increase in Canada Health and Social transfers of $59 million.

Non-renewable resources revenue increased by $341 million from last year mainly due to higher oil and natural gas prices. In 2003, oil and gas revenues were $862 million and $153 million respectively compared to $555 million and $129 million in 2002 (see schedule 11 of Appendix 3 to this report).

In 2003, own source revenue from the sale of shares was $3 million. In 2002, other own source revenue included a gain of $112 million for the sale of shares in Cameco.

Agricultural expenditures increased by $491 million from last year. This was due to increased payments for crop insurance of about $750 million and decreased payments to enhance or stabilize the income of farmers under the Canada-Saskatchewan Assistance

Program and the Agricultural Income Disaster Assistance Program – Canadian Farm Income Program.

Environment and natural resources expenditures increased by $86 million from last year due mainly to increased costs for firefighting caused by a record year for forest fires in 2002-03.

Finally, health expenditures increased by $134 million from last year due to increased costs for salaries and benefits, drugs and other inflationary increases.

9. How much debt and interest per capita does the Government have?

The debt per capita has decreased from a high of $15,433 at March 31, 1995 to $14,011 at March 31, 2003. As the debt has declined, the annual interest cost per capita has declined from a high of $1,321 at March 31, 1995 to $887 at March 31, 2003. A government's debt equals its total liabilities.

10. How much of the Government's debt of bonds and debentures owed to external markets is owed by Government service organizations and Government business enterprises?

At March 31, 2003 the Government's total debt of bonds and debentures was $11.7 billion (net of sinking funds). Government service organizations owed $8.5 billion (net of sinking funds). Government business enterprises owed $3.2 billion (net of sinking funds). For further information, see schedule 9 of Appendix 3.

11. How much of the Government's debt in bonds and debentures is payable in foreign currencies?

At March 31, 2003, the Government owed $11.7 billion (net of sinking funds). Of this amount $1.7 billion (net of sinking funds) or 15% was payable in U. S. dollars.

Government service organizations owed $8.5 billion (net of sinking funds). Of this amount, $0.9 billion (net of sinking funds) or 11% was payable in U.S. dollars. Government business enterprises

owed $3.2 billion (net of sinking funds). Of this amount $0.8 billion (net of sinking funds) or 25% was payable in U. S. dollars. For further information, see schedule 9 of Appendix 3.

12. Why do agriculture expenditures fluctuate so much?

Agricultural spending fluctuates depending on the state of the agricultural economy. The agricultural economy is dependent on prices for commodities that are traded in world markets and that are subject to world supply and demand. The agriculture economy is also affected by trading subsidies paid by foreign governments. Further, the state of the agriculture economy is also dependent on the weather.

In addition, large agricultural programs are often cost-shared with the Federal Government. These cost-share programs can be administered by the Federal Government or the Saskatchewan Government. The accounting for cost-share programs can have a significant impact on the amount recorded as agricultural expenditures.

For example, if Saskatchewan administers the program, as is done with crop insurance, the Saskatchewan Government shows the total expenditures for the program, even though some of the money to pay for the program came from the Federal Government and farmers. The Saskatchewan Government includes the money from the Federal Government and from farmers as revenue in its financial statements.

If on the other hand, as with the Agricultural Income Disaster Program (AIDA), Saskatchewan does not administer the program, but instead pays its share of the cost to the Federal Government (administrator), then the Saskatchewan Government records only its share of the cost of the program as an expenditure in its financial statements.

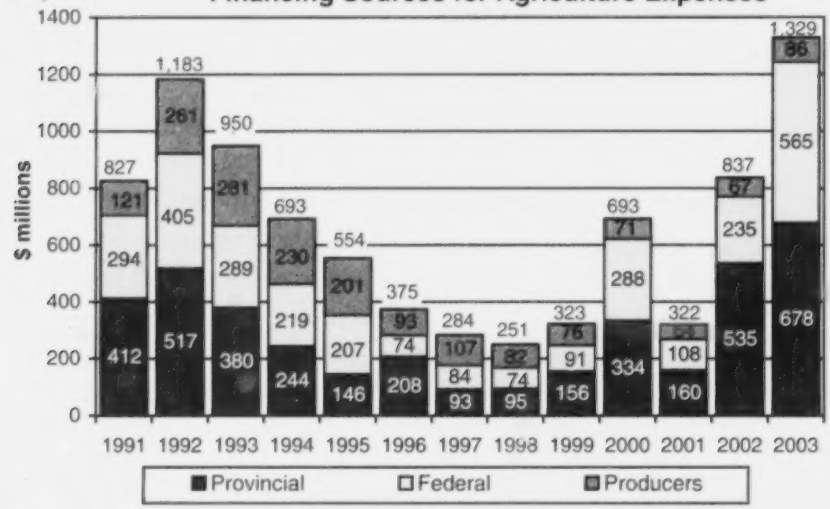
The following graph shows how the Saskatchewan Government financed agricultural expenditures from 1991 to 2003. Agricultural expenditures do not include significant Government support provided to the agriculture sector through tax concessions and

rebates. For example, in the 2003-04 Budget, the fuel tax exemption and rebates for farm activity are estimated to be $107 million for 2003.

Agricultural expenditures increased by $492 million from last year. This was due to increased payments for crop insurance of about $750 million offset by decreased payments to enhance or stabilize the income of farmers under the Canada-Saskatchewan Assistance Program and the Agricultural Income Disaster Assistance Program–Canadian Farm Income Program.

Graph 17

Financing Sources for Agriculture Expenses



13. How much debt is guaranteed by the Government?

At March 31, 2003, the Government had guaranteed debt of $320 million. These guarantees relate to the debt of non-governmental organizations. For further information, see schedule 10 of Appendix 3.

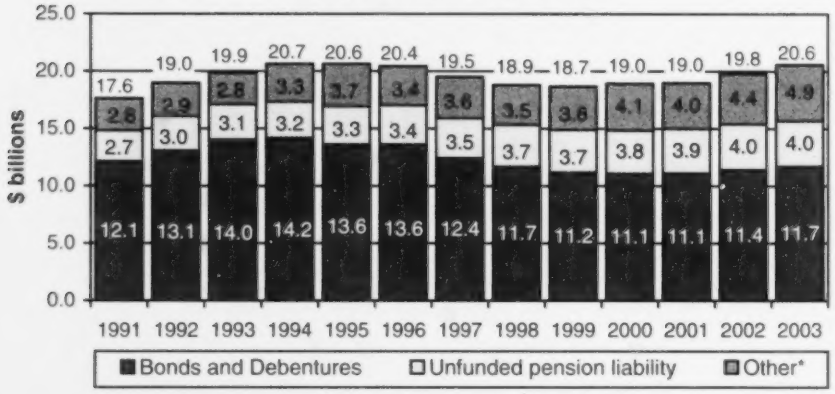
14. How much are the Government's total liabilities including liabilities of Government business enterprises?

Graph 18 shows the Government's total liabilities including liabilities of Government business enterprises from 1991 to 2003. The graph also shows a breakdown of these liabilities between bonds and debentures, unfunded pension liabilities and other

liabilities. Other liabilities include trade accounts payable, accrued interest, and unpaid claims for government insurance programs.

Although the Government's total liabilities provides important information to understand the Government's financial condition, this report focuses on the Government's accumulated deficit which is a better indicator of a government's financial condition.

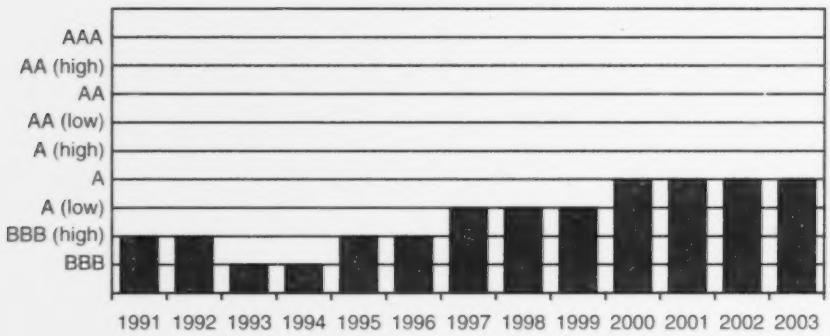
Graph 18 **The Government's Liabilities including Liabilities of Government Business Enterprises as at March 31**



* Excludes amounts owed by the GRF to the Liquor and Gaming Authority since they are not owed to non-government agencies (in millions: 2003 - $23, 2002 - $32, 2001 - $13, 2000 - $674, 1999 - $364, 1998 - $386, 1997 - $451, 1996 - $197, 1995 - $241, 1994 - $140, 1993 - $116, 1992 - $118, and 1991 - $70).

15. How has Saskatchewan's credit rating changed from 1991 to 2003?

Graph 19 **Dominion Bond Rating Service Credit Ratings from 1991 to 2003**



Saskatchewan received a credit rating of BBB from 1993 to 1994 from the Dominion Bond Rating Service. Since that time,

rebates. For example, in the 2003-04 Budget, the fuel tax exemption and rebates for farm activity are estimated to be $107 million for 2003.

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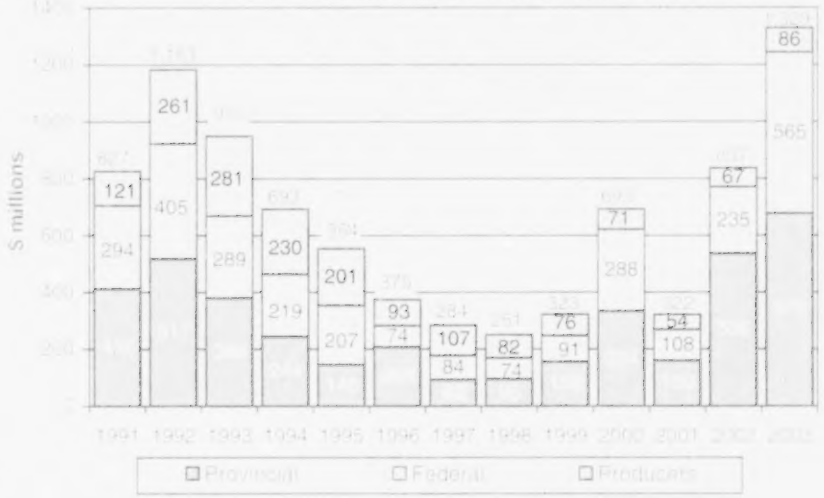

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Graph 18 **The Government's Liabilities including Liabilities of Government Business Enterprises as at March 31**

15 How has Saskatchewan's credit rating changed from 1991 to 2003?

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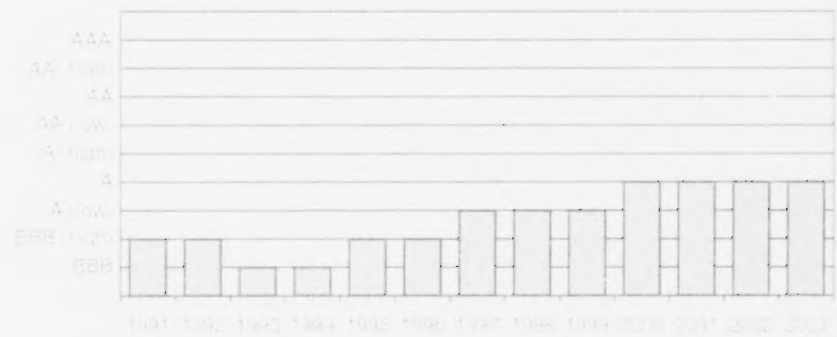
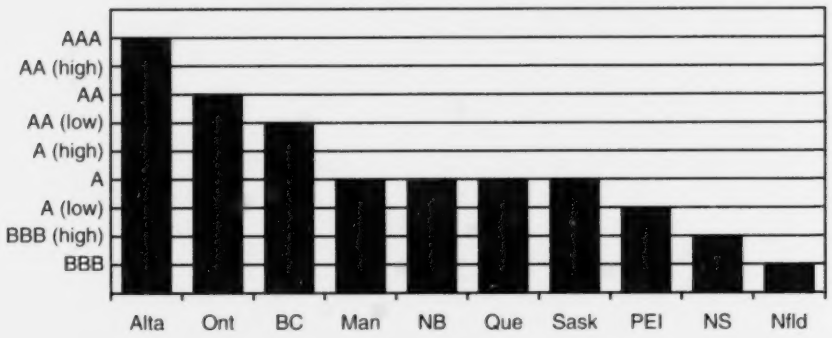


Saskatchewan received a credit rating of BBB from 1993 to 1994 from the Dominion Bond Rating Service. Since that time,

Saskatchewan's rating has gradually improved, rating A from 2000 to 2003.

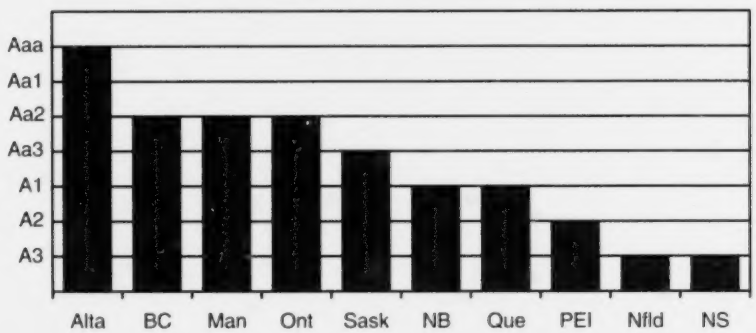
16. How does Saskatchewan's credit rating compare to the credit ratings of the other provinces?

Graph 20 **Dominion Bond Rating Service**
Credit Ratings as at May 20, 2003



Saskatchewan, Manitoba, New Brunswick, and Quebec have the fourth highest credit rating of the ten provinces, per the most recent ratings list by the Dominion Bond Rating Service at May 20, 2003 (see http://www.dbrs.com/web/sentry?COMP=650.)

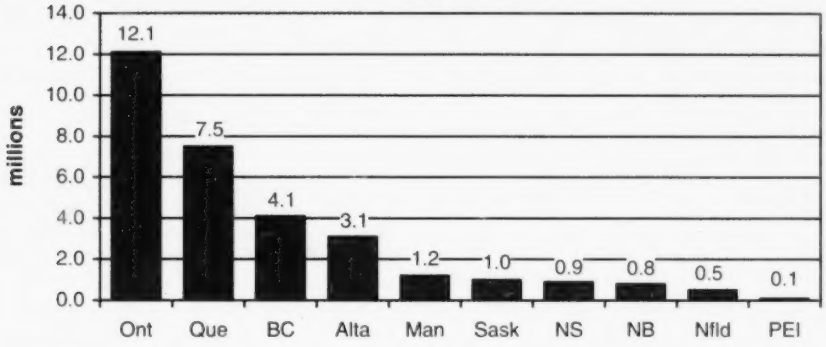
Graph 21 **Moody's Investors Service**
Credit Ratings as at June 4, 2003



Saskatchewan has the fifth highest credit rating of the ten provinces, per the most recent ratings list by Moody's Investors Service at June 4, 2003.

17. How does the size of Saskatchewan's population compare with other provinces?

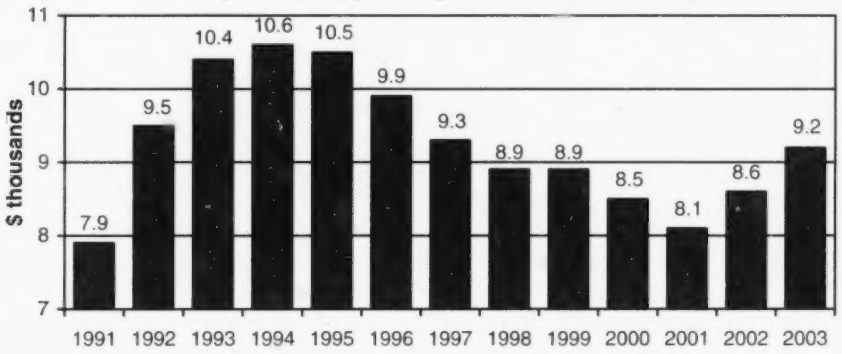
Graph 22 **Interprovincial Comparison of Population as at July 31, 2002**



Graph 22 shows wide diversity in population sizes between the provinces. Saskatchewan has the sixth largest population of the ten provinces. The information on population was obtained from Statistics Canada.

18. How has the Government's accumulated deficit (net debt) per capita changed from 1991 to 2003?

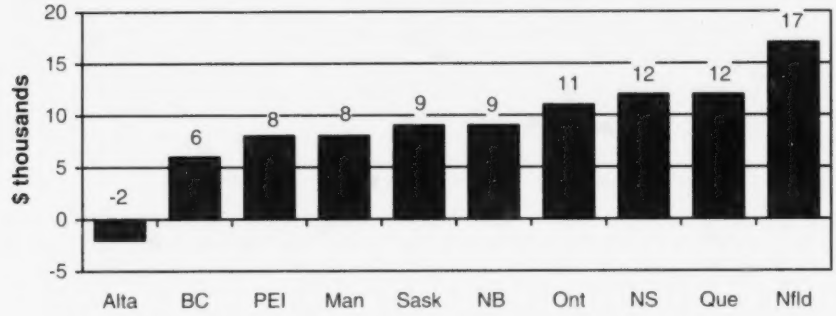
Graph 23 **The Government's Accumulated Deficit (Net Debt) per Capita from 1991 to 2003**



As shown in Graph 23, the Government's accumulated deficit per capita peaked in 1994 at $10,600 and reached a low of $8,100 in 2001 before rising again to $9,200 in 2003.

19. How does the Government's accumulated deficit (net debt) per capita compare with other provinces?

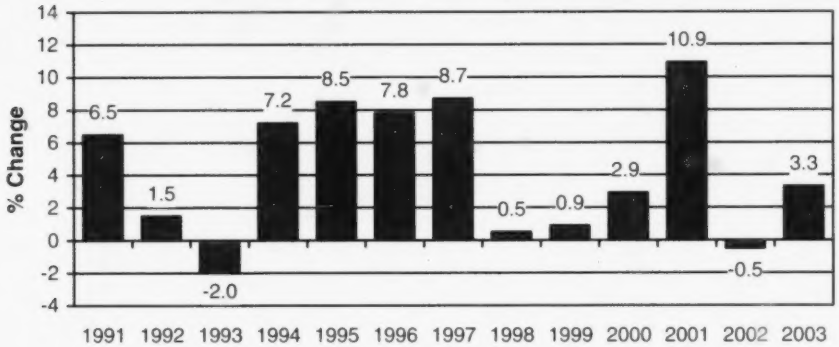
Graph 24 **Interprovincial Comparison of Accumulated Deficit (Net Debt) per Capita as at March 31, 2002**



Graph 24 shows that Saskatchewan has the fifth lowest accumulated deficit (net debt) per capita of the provinces.

20. What is the annual percentage change in Saskatchewan's GDP from 1991 to 2003?

Graph 25 **Annual % Change in the Province's Gross Domestic Product, 1991 to 2003** [4]



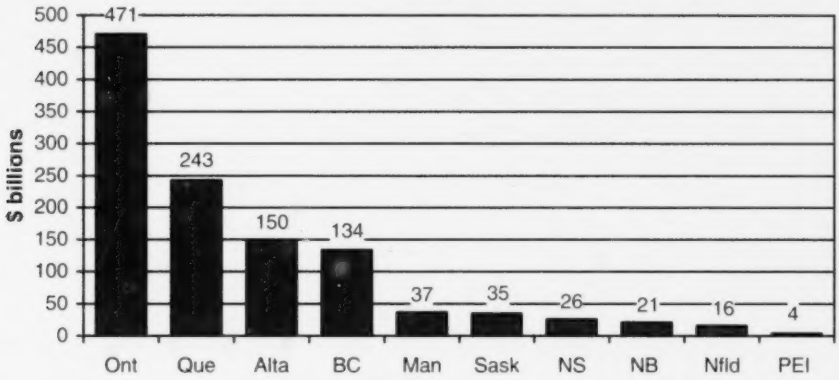
Graph 25 shows the annual percentage change in the Saskatchewan economy as measured by the change in the GDP (unadjusted for inflation). The graph shows that the Saskatchewan economy is subject to significant fluctuation. The Saskatchewan economy remains vulnerable to changes in commodity prices, interest rates, and the weather. In 2003, after decreasing in 2002, the Saskatchewan GDP increased by more than 3%.

[4] See Note 2 on page 5.

21. How does the size of Saskatchewan's GDP compare with the other provinces?

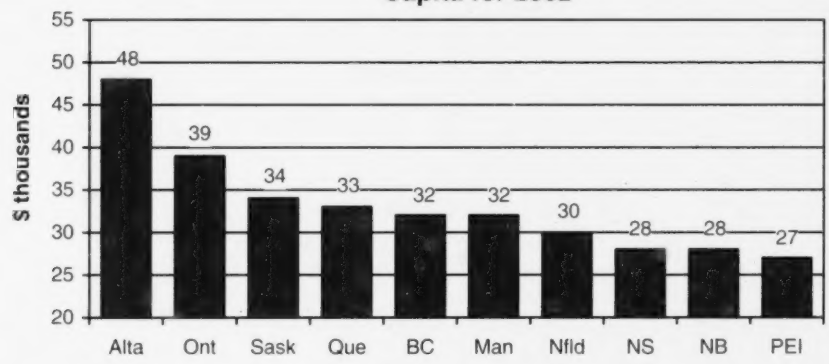
Graph 26 shows an interprovincial comparison of GDP for the year ended December 31, 2002. The graph shows that Saskatchewan had the sixth largest economy of the provinces. The GDP information was obtained from Statistics Canada and is available on the Internet at http://www.statcan.ca/english/Pgdb/econ15.htm.

Graph 26 **Interprovincial Comparison of GDP for 2002**



22. How does the Saskatchewan's GDP per capita compare with the other provinces?

Graph 27 **Interprovincial Comparison of GDP per Capita for 2002**



Graph 27 shows an interprovincial comparison of GDP per capita for the year ended December 31, 2002. GDP per capita is the provincial GDP divided by the population of the province. Saskatchewan had the third largest GDP per capita of the provinces. The information on GDP and population was obtained

from Statistics Canada. The GDP information was for the year ended December 31, 2002 and the population information was as at July 1, 2002.

Appendix 2 – Other more detailed financial information

(Derived from the Government's summary financial statements)

(in $ millions)

	1991	1992	1993	1994	1995
	(unaudited)				
Revenue					
General Programs					
Taxes	1,988	2,163	2,276	2,536	2,643
Federal government transfers	1,603	1,706	1,447	1,488	1,512
Non-renewable resources	423	323	393	453	718
Income from government enterprises	362	266	249	310	313
Other	932	952	948	775	899
Total Revenue	5,308	5,410	5,313	5,562	6,085
Expenditure					
General Programs					
Agriculture[1]	827	1,183	950	693	554
Community development	143	107	104	145	160
Debt charges (interest costs)	1,053	1,147	1,299	1,285	1,338
Economic development	86	125	81	79	79
Education	847	871	883	849	874
Environment and natural resources	184	20	87	151	116
Health	1,659	1,641	1,614	1,553	1,622
Protection of persons and property	262	274	248	178	187
Social services and assistance	446	507	547	550	584
Transportation	283	242	201	212	228
Other	270	969	199	148	202
Total Expenditure	6,060	7,086	6,213	5,843	5,944
Annual surplus (deficit)	(752)	(1,676)	(900)	(281)	141
Accumulated (deficit), beginning of year	(7,127)	(7,879)	(9,555)	(10,455)	(10,736)
Adjustment to Accumulated Deficit[2]	-	-	-	-	-
Accumulated (deficit), end of year	(7,879)	(9,555)	(10,455)	(10,736)	(10,595)

1 The Agriculture expenditure does not include significant Government support provided to the agriculture sector through tax concessions and rebates. Also, certain agriculture programs, such as Crop insurance, are cost-shared by the Saskatchewan Government. The above table represents Saskatchewan Government expenditures for agricultural programs, plus the total expenditures of the cost-shared programs administered by the Saskatchewan Government. The contributions by the Federal Government and producers, towards these cost-shared programs, are recorded as revenue by the Saskatchewan Government. Funding provided by the Federal Government in millions amounted to $565 for 2003, $235 for 2002, $108 for 2001, $288 for 2000, $91 for 1999, $74 for 1998, $84 for 1997, $74 for 1996, $207 for 1995, $219 for 1994, $289 for 1993, $405 for 1992, and $294 for 1991. Funding provided by producers in millions amounted to $86 for 2003, $67 for 2002, $54 for 2001, $71 for 2000, $76 for 1999, $82 for 1998, $107 for 1997, $93 for 1996, $201 for 1995, $230 for 1994, $281 for 1993, $261 for 1992, and $121 for 1991.

2 During 2002-03, a government business partnership adopted the asset and liability method of accounting for income taxes as recommended by the Canadian Institute of Chartered Accountants (CICA). As a result, the Government recorded an increase in other investments of $77.8 million and a corresponding decrease in the accumulated deficit. The comparative figures have not been restated.

1996	1997	1998	1999	2000	2001	2002	2003
2,854	3,125	3,116	3,155	3,224	3,203	3,023	3,369
1,046	853	675	1,088	1,553	1,029	1,518	1,414
673	907	781	622	943	1,293	903	1,244
590	549	568	652	582	642	426	453
1,260	791	983	784	909	924	1,070	996
6,423	6,225	6,123	6,301	7,211	7,091	6,940	7,476
375	284	251	323	693	322	837	1,329
158	148	152	160	158	176	204	229
1,305	1,224	1,175	1,111	1,026	947	891	894
148	132	96	110	109	150	141	109
828	853	855	886	901	1,019	987	997
192	142	119	202	168	149	156	242
1,623	1,632	1,761	1,931	2,174	2,223	2,424	2,558
195	190	203	230	262	266	299	303
588	586	700	747	785	783	784	794
236	248	273	272	273	303	337	328
212	191	212	260	256	292	363	347
5,860	5,680	5,797	6,232	6,805	6,630	7,423	8,130
563	545	326	69	406	461	(483)	(654)
(10,595)	(10,032)	(9,487)	(9,161)	(9,092)	(8,686)	(8,225)	(8,708)
-	-	-	-	-	-	-	78
(10,032)	(9,487)	(9,161)	(9,092)	(8,686)	(8,225)	(8,708)	(9,284)

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Appendix 3 – The Government's 2002-03 summary financial statements

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Government of Saskatchewan
Responsibility for Summary Financial Statements

The Government is responsible for the Summary Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to get reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements following the Government's stated accounting policies and using the Government's best estimates and judgement when appropriate. He uses information from the accounts of the General Revenue Fund, Crown corporations, agencies, and other funds to prepare these statements.

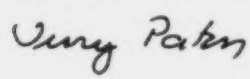
The Provincial Auditor expresses an independent opinion on these statements. His report states the scope of his audit and opinion and appears on the following page.

Treasury Board approves the Summary Financial Statements. The Minister of Finance tables the statements in the Legislative Assembly as part of the Public Accounts. The Legislative Assembly refers the Public Accounts to the Standing Committee on Public Accounts for review.

On behalf of the Government of the Province of Saskatchewan.

Jim Melenchuk
Minister of Finance

Ron Styles
Deputy Minister of Finance



Terry Paton
Provincial Comptroller

Regina, Saskatchewan
June 2003

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the summary statement of financial assets, liabilities, and accumulated deficit of the Government of Saskatchewan as at March 31, 2003 and the summary statements of revenue, expenditure, and accumulated deficit and cash flow for the year then ended. These financial statements are the responsibility of Treasury Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these summary financial statements present fairly, in all material respects, the financial position of the Government of Saskatchewan as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for governments.

Regina, Saskatchewan
June 6, 2003

Fred Wendel, CMA, CA
Provincial Auditor

Government of Saskatchewan
Summary Statement of Financial Assets, Liabilities, and Accumulated Deficit
As at March 31, 2003

(thousands of dollars)

Schedule		2003	2002
	Financial Assets		
	Cash and temporary investments (note 2)	$ 604,992	$ 673,326
	Prepaid expenditures	21,465	27,128
1	Accounts receivable	845,649	708,155
	Inventories held for resale	3,273	6,534
	Land held for resale (note 3)	119,166	124,231
	Deferred charges	62,154	58,528
	Deferred foreign exchange loss	136,689	227,577
2	Loans and mortgages receivable	126,392	112,176
3	Investment in government business enterprises	2,193,579	2,247,746
4	Other investments	725,455	640,957
Total Financial Assets		4,838,814	4,826,358
	Liabilities		
5	Accounts payable and accrued liabilities	1,271,462	1,037,735
6	Other liabilities	149,899	146,839
	Unearned revenue	219,602	229,675
7, 8 & 9	Public debt (note 6)	8,505,573	8,167,690
	Pension liabilities (note 7)	3,976,165	3,952,483
Total Liabilities		14,122,701	13,534,422
Accumulated Deficit		$ (9,283,887)	$ (8,708,064)

(See accompanying notes)

Tangible capital assets (note 4)
Contingencies and commitments (notes 12 and 13)
10 Guaranteed debt

Government of Saskatchewan
Summary Statement of Revenue, Expenditure, and Accumulated Deficit

For the Year Ended March 31, 2003

(thousands of dollars)

Schedule		2003	2002
	Revenue		
11	Taxation	$ 3,369,241	$ 3,023,328
11	Non-renewable resources	1,243,649	903,044
11	Other own-source revenue	996,337	1,070,147
11	Transfers from the federal government	1,413,854	1,517,880
Total Revenue		7,023,081	6,514,399
	Expenditure		
	Agriculture	1,328,542	837,288
	Community development	228,576	203,769
	Debt charges (note 9)	894,389	890,784
	Economic development	108,516	140,963
	Education	996,710	987,197
	Environment and natural resources	242,475	156,393
	Health	2,557,994	2,423,522
	Protection of persons and property	302,556	298,852
	Social services and assistance	794,159	783,623
	Transportation	328,400	337,282
	Other	347,173	363,755
Total Expenditure (note 10)		8,129,490	7,423,428
	Deficit from government service organizations	(1,106,409)	(909,029)
3	Income from government business enterprises	452,755	426,061
Deficit		(653,654)	(482,968)
Accumulated deficit, beginning of year		(8,708,064)	(8,225,096)
Adjustment to accumulated deficit (note 15)		77,831	-
Accumulated Deficit, End of Year (note 8)		$ (9,283,887)	$ (8,708,064)

(See accompanying notes)

Government of Saskatchewan
Summary Statement of Cash Flow
For the Year Ended March 31, 2003

(thousands of dollars)

Schedule		2003	2002
	Operating Activities		
	Deficit	**$ (653,654)**	$ (482,968)
	Add (deduct) non-cash items		
3	Income from government business enterprises	**(452,755)**	(426,061)
	Amortization of foreign exchange gains and losses	**9,771**	17,196
12	Net gain on other investments	**(10,725)**	(114,396)
	Reduction of loan/mortgage losses	**(995)**	(7,232)
	Dividends received from other investments	**1,281**	1,255
3	Dividends received from government business enterprises	**506,922**	458,628
13	Net change in non-cash operating activities	**91,458**	(97,297)
	Cash Used for Operating Activities	**(508,697)**	(650,875)
	Investing Activities		
	Disposal of land held for resale	**5,065**	4,663
	Net (increase) decrease in loans and mortgages receivable	**(13,221)**	37,285
	Acquisition of other investments	**(63,933)**	(61,062)
	Disposition of other investments	**66,710**	256,096
	Cash (Used for) Provided by Investing Activities	**(5,379)**	236,982
	Financing Activities		
	Proceeds from public debt	**703,475**	977,510
	Repayment of public debt	**(284,475)**	(852,825)
	Increase in other liabilities	**3,060**	38,645
	Increase in pension liabilities	**23,682**	39,836
	Cash Provided by Financing Activities	**445,742**	203,166
	Decrease in cash and temporary investments	**(68,334)**	(210,727)
	Cash and temporary investments, beginning of year	**673,326**	884,053
	Cash and Temporary Investments, End of Year	**$ 604,992**	$ 673,326

(See accompanying notes)

Government of Saskatchewan
Notes to the Summary Financial Statements

For the Year Ended March 31, 2003

1. Significant Accounting Policies

These Summary financial statements are prepared in accordance with generally accepted accounting principles for senior governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The significant accounting policies are summarized below.

a) Reporting entity

The financial statements report the financial activities of organizations which are accountable for the administration of their financial affairs and resources either to a Minister of the Government or directly to the Legislative Assembly and which are owned or controlled by the Government.

Trusts administered by the Government are excluded from the reporting entity.

A listing of organizations included in the reporting entity is provided in schedule 14. Unless otherwise noted, the financial activities of all subsidiaries of these organizations have also been included.

b) Method of consolidation

The accounts of all government organizations, except those designated as government business enterprises, are consolidated after adjustment to a basis consistent with the accounting policies described in note 1(c). These organizations are referred to as government service organizations. Significant inter-organization balances and transactions are eliminated.

Government business enterprises are defined as self-sufficient organizations that have the financial and operating authority to sell goods and services to individuals and organizations outside the government reporting entity as their principal activity.

Government business enterprises are recorded using the modified equity method. The Government's investment in government business enterprises, which is initially recorded at cost, is adjusted annually to include the net earnings/losses and certain other net equity changes of the enterprise without adjustment to conform with the accounting policies described in note 1(c). With the exception of dividends declared by March 31, inter-organization balances and transactions are not eliminated.

Financial results of government organizations whose fiscal year-ends are other than March 31 are adjusted for transactions having a significant impact on the consolidated operating results.

c) Basis of accounting

The accrual basis of accounting is used and specifically expressed as follows:

Revenue

Revenues are recorded on the accrual basis except for receipts from the federal government for corporate and personal income taxes, which are recorded on the cash basis. Government transfers are recognized as revenue in the period during which the transfer is authorized and any eligibility criteria are met.

Expenditure

Expenditures are recorded on the accrual basis and include the cost of tangible capital assets and inventories of supplies acquired during the year. Government transfers are recognized as expenditures in the period during which the transfer is authorized and any eligibility criteria are met.

Assets

Financial assets are those assets on hand at the end of an accounting period which could provide resources to discharge existing liabilities or finance future operations.

Temporary investments are recorded at cost which approximates market value.

Inventories held for resale are recorded at the lower of cost and net realizable value. ***Inventories of supplies*** are recorded as an expenditure in the period acquired.

Land held for resale is valued at the lower of cost or net realizable value, on an aggregate basis.

Deferred charges include issue costs and net discounts or premiums incurred on the issue of public debt. They are recorded at cost and amortized on a straight-line basis over the remaining life of the debt issue.

Deferred foreign exchange loss includes net unrealized foreign exchange gains and losses resulting from the conversion of debentures due and sinking funds held in a foreign currency to the Canadian dollar equivalent at the exchange rate in effect at

Government of Saskatchewan
Notes to the Summary Financial Statements

March 31. Realized foreign exchange gains and losses are included in the surplus or deficit. Unrealized foreign exchange gains and losses are amortized on a straight-line basis over the remaining life of the debt issue.

Loans and mortgages receivable are initially recorded at cost. Where there has been a loss in value that is other than a temporary decline, the loan or mortgage is written down to recognize the loss. Interest is recognized on the accrual basis except where collection is uncertain. Interest is then recorded on the cash basis.

Other investments are made up of: equity investments; portfolio investments; bonds, debentures and other advances; and property holdings. Equity investments include government business partnerships. Other investments are accounted for by various methods as described below and are written down to their fair value when there is evidence of a permanent decline in value.

Equity investments exist when the Government holds shares of private or public companies and exercises significant influence but has less than a controlling interest or when the Government has shared control, as in government business partnerships. These investments are accounted for by the modified equity method. Using this method, the Government's investment, which is initially recorded at cost, is adjusted for the Government's share of the investee's net earnings or losses and is reduced by dividends and partnership distributions received from these investments.

Government business partnerships are equity investments where there is a contractual arrangement between the Government and one or more partners outside the reporting entity and where these partners share, on an equitable basis, the significant risks and benefits associated with operating the partnership. These partnerships are self-sufficient organizations that have the financial and operating authority to sell goods and services to individuals and organizations outside the government reporting entity as their principal activity. Government business partnerships are recorded using the modified equity method.

Portfolio investments exist when the Government holds shares of private or public companies and does not exercise significant influence. Portfolio investments are recorded at cost, and dividends from these shares are recorded as income when receivable.

Bonds, debentures and other advances are recorded at amortized cost.

Tangible capital assets held by government service organizations are recorded as an expenditure in the period acquired. Capital assets held by government business enterprises, as disclosed in schedule 3, are generally recorded at cost and amortized on a straight-line basis over the estimated productive life of each asset.

Liabilities

Reported liabilities include obligations to individuals and organizations outside the government reporting entity as a result of transactions and events occurring prior to year-end. They consist of financial obligations to repay borrowing and to pay for goods and services acquired prior to year-end and revenue, where goods or services will be delivered in the future.

Unearned revenue is revenue that will be earned in a subsequent fiscal year and includes: revenue for Crown mineral leases; fees, permits and licences; and restricted funding from the federal government and other organizations.

Public debt consists of debt of government service organizations recorded net of amounts reimbursable from government business enterprises. Total public debt includes public debt and the debt of government business enterprises, as disclosed in schedule 3.

Public debt is recorded at par. Premiums, discounts and issue costs are recorded as deferred charges and are amortized on a straight-line basis over the remaining life of the debt issue.

Certain debenture issues require contributions to a sinking fund. These obligations are recorded at principal less sinking fund balances where applicable. Premiums and discounts on long-term investments within these sinking funds are amortized by the type of security on a constant yield basis.

Debt issues and sinking fund investments held in foreign currencies are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Pension liabilities are calculated using the projected benefit method prorated on services. Pension fund assets are valued at market related values. Changes in the pension liabilities as a result of estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized on a straight-line basis over the expected average remaining service life of the related employee group. Gains or losses as a result of plan amendments are recognized in the period of the plan amendment.

Guaranteed debt includes guarantees of the Government made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expenditure in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

Government of Saskatchewan
Notes to the Summary Financial Statements

2. Cash and Temporary Investments

Temporary investments are generally for less than 30 days and have an average effective interest rate of 3.00 per cent.

3. Land Held for Resale

The estimated net realizable value of the Government's land held for resale at March 31, 2003 is $211.5 million (2002 - $209.8 million).

4. Tangible Capital Assets

The Government has a significant investment in tangible capital assets that have a useful life of greater than one year. These assets are a key component in the delivery of government programs and provide on-going value to the public.

The Government's tangible capital assets held by government service organizations are recorded as an expenditure in the period acquired and are not included in the Statement of Financial Assets, Liabilities, and Accumulated Deficit. In the current year, government service organizations acquired tangible capital assets in the amount of $323.6 million (2002 restated - $350.5 million).

The following table discloses the tangible capital assets held by government service organizations and does not include assets acquired by right or heritage assets. All recorded assets are disclosed at cost and are generally amortized on a straight-line basis over the estimated useful life of the asset.

(thousands of dollars)

	2003								2002
	Land	Infra-structure[1]	Buildings	Machinery & Equipment	Vehicles	Capital Leases	Other[2]	Total	Total (Restated)
Estimated useful life	*Indefinite*	*15 years - Indefinite*	*3 - 50 years*	*1 - 40 years*	*2-20 years*	*Varies*	*1 - 50 years*		
Opening cost	$83,107	$2,973,137	$2,327,203	$736,098	$70,722	$69,455	$372,183	$6,631,905	$6,367,410
Reclassification[3]	(264)	-	42,861	5,416	5	332	(48,350)	-	-
Additions	1,220	133,666	30,613	38,753	7,382	19,938	92,000	323,572	350,505
Write-downs	-	-	(10,447)	-	-	-	-	(10,447)	(16,797)
Disposals	(132)	(38,532)	(18,402)	(10,486)	(6,340)	(887)	(15,056)	(89,835)	(69,213)
Closing cost	83,931	3,068,271	2,371,828	769,781	71,769	88,838	400,777	6,855,195	6,631,905
Opening accumulated amortization	-	1,351,645	818,780	509,431	42,789	43,199	173,205	2,939,049	2,757,892
Reclassification[3]	-	-	1,267	1,665	-	(50)	(2,882)	-	-
Annual amortization	-	86,108	77,047	51,938	4,877	4,494	42,594	267,058	244,165
Write-downs	-	-	(5,370)	(255)	-	-	(165)	(5,790)	(1,941)
Disposals	-	(38,466)	(14,672)	(8,385)	(4,641)	(535)	(13,226)	(79,925)	(61,067)
Closing accumulated amortization	-	1,399,287	877,052	554,394	43,025	47,108	199,526	3,120,392	2,939,049
Net Book Value of Tangible Capital Assets	$83,931	$1,668,984	$1,494,776	$215,387	$28,744	$41,730	$201,251	$3,734,803	$3,692,856

[1] Includes highways, bridges, and water control and irrigation projects. The value of northern airports and ferries is disclosed for the first time in 2002-03. Accordingly, the March 2002 figures have been restated to include these assets (net book value $8.4 million).
[2] Includes construction in progress, computer software, furniture, office equipment and aircraft.
[3] Includes the reclassification of construction in progress completed during the period.

5. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount.

Measurement uncertainty exists in these financial statements in the accrual of pension obligations, non-renewable resources royalties, site restoration obligations, accident claims obligations and the federal government's Equalization and Canada Health and Social Transfer payments. It also exists in the valuation of loans where repayment is contingent upon an organization's cash flows. The uncertainty arises from factors such as the effect on accrued pension obligations of actual experience compared to actuarial estimations and assumptions; the effect on accrued royalties of price and production sensitivities in the royalty structures; the effect on

Government of Saskatchewan
Notes to the Summary Financial Statements

site restoration obligations of actual experience compared to historical estimations and assumptions; the effect on accrued accident claims obligations of actual experience compared to actuarial estimations and assumptions; the effect on transfers from the federal government of changes in economic and demographic conditions in the Province and the country; and the effect of commodity prices on cash flows. Management considers that it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material change in the amounts recognized.

6. Risk Management of Public Debt

The Government borrows funds in both domestic and foreign capital markets by issuing Government of Saskatchewan securities. As a result of these transactions, the Government is exposed to four types of risk: interest rate risk, foreign exchange rate risk, credit risk and liquidity risk.

To manage these risks, the Government maintains a preference for fixed rate Canadian dollar denominated debt. Where market conditions dictate that other forms of debt are more attractive, the Government seeks opportunities to use derivative financial instruments to reduce these risks. A derivative financial instrument is a contract whose value is based on the value of another asset or index.

Interest rate risk is the risk that the Government's debt charges will increase due to changes in interest rates. This risk is managed by issuing debt securities at predominantly fixed rates of interest rather than at floating rates of interest. The Government seeks opportunities to effectively convert floating rate debt into fixed rate debt through the use of interest rate swaps. At March 31, 2003, 86.5 per cent (2002 - 85.3 per cent) of the Government's gross public debt effectively carried a rate of interest that was fixed for greater than a one-year period.

Foreign exchange rate risk is the risk that the Government's debt charges will increase due to a decline in the value of the Canadian dollar relative to other currencies. This risk is managed by maintaining a preference for issuing debt that is denominated in Canadian dollars. Where debt has been issued in foreign currencies, the Government seeks opportunities to effectively convert it into Canadian dollar debt through the use of cross currency swaps. At March 31, 2003, 83.3 per cent (2002 - 81.5 per cent) of the Government's gross public debt is effectively denominated in Canadian dollars.

Credit risk is the risk that a loss may occur from the failure of another party to meet its obligations under a derivative financial instrument contract. This risk is managed by dealing only with counterparties with good credit ratings and by establishing limits on individual counterparty exposures and monitoring those exposures on a regular basis. At March 31, 2003, 100 per cent (2002 - 100 per cent) of the Government's counterparties held a Standard and Poor's credit rating of A or better.

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short-term. This risk is managed by distributing debt maturities over many years, maintaining sinking funds on long-term debt issues and maintaining adequate cash reserves and short-term borrowing programs as contingent sources of liquidity.

Schedule 9 provides more detailed information on the Government's use of derivative financial instruments.

7. Retirement Benefits

The Government sponsors several defined benefit and defined contribution pension plans.

a) Pension Liabilities

Defined benefit pension plans provide benefits based on length of service and pensionable earnings. A typical defined benefit plan provides pensions equal to 2 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Members contribute a percentage of salary, which may vary based on age, to their plan. Pensions and contribution rates are integrated with the Canada Pension Plan.

Actuarial valuations are performed at least triennially. These valuations are extrapolated by an actuary when a valuation is not done in the current fiscal year. Valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. These assumptions reflect estimates of expected long-term rates and short-term forecasts. Estimates vary based on the individual plan.

The accrued benefit obligation is determined using the projected benefit method prorated on services. Pension fund assets are valued at market related values based on actual market values averaged over a four year period. In the periods between valuations, the actuary estimates the market related value of pension fund assets using expected long-term rates of return for the individual plans.

Defined contribution pension plans provide pensions based on accumulated contributions and investment earnings. Employees contribute a percentage of salary. The Government provides contributions at specified rates for employee current service.

Pension fund assets of government sponsored defined benefit and defined contribution plans are invested in fixed income securities, equities, real estate and short-term monetary items. The investment in Government of Saskatchewan securities is insignificant for all plans.

Government of Saskatchewan
Notes to the Summary Financial Statements

l) Government Service Organizations

i) Defined benefit plans

The two main plans of government service organizations are the Teachers' Superannuation Plan (TSP) and the Public Service Superannuation Plan (PSSP). Other plans include Judges of the Provincial Court Superannuation Plan (Judges), Saskatchewan Transportation Company Employees Superannuation Plan, Anti-TB League Employees Superannuation Plan and the Saskatchewan Pension Annuity Fund, an annuity underwriting operation. During the year, the Members of the Legislative Assembly Superannuation Fund was disestablished and the obligations for allowances payable is now part of the General Revenue Fund.

The TSP provides inflation protection equal to 80 per cent of the annual increase in the Consumer Price Index. Other plans provide inflation indexing at the discretion of the Lieutenant Governor in Council.

The Government is required to match member current service contributions for all plans except Judges and the PSSP. Separate pension funds are maintained for all plans except the PSSP and MLA, for which member contributions are received and pension obligations are paid directly by the Government.

Information on the defined benefit plans of government service organizations follows:

	2003				2002
	TSP	PSSP	Others	Total	Total
Plan status	closed	closed	closed[1]	n/a	n/a
Member contribution rate, percentage of salary	7.85	7 - 9[2]	5 - 9[2]	n/a	n/a
Number of active members	5,269	1,920	79	7,268	7,424
Average age of active members, years	50.6	52.4	55.2	51.1	51.1
Former members entitled to deferred pension benefits	6,675	133	9	6,817	6,809
Number of superannuates and surviving spouses	9,533	5,809	2,147	17,489	17,249
Member contributions (thousands of dollars)	$ 20,978	$ 6,335	$ 342	$ 27,655	$ 28,637
Government contributions (thousands of dollars)	64,600	0	4,749	69,349	60,807
Benefits paid (thousands of dollars)	234,500	94,165	7,105	335,770	323,481

[1] Judges is open to new membership, all other plans are closed

[2] Contribution rate varies based on age upon joining the plan

The assumptions used to determine the actuarial value of the accrued benefit obligation and pension fund assets for TSP and PSSP are as follows:

	TSP	PSSP
Rate of compensation increase	3.50%	4.00%
Expected long-term rate of return on plan assets	7.50%	n/a
Discount rate	7.50%	6.25%
Inflation rate	3.00%	3.00%

Based on the latest actuarial valuation, extrapolated to March 31, 2003, the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below:

(thousands of dollars)

		2003				2002
Plan Name	Actuarial Valuation Date	Accrued Benefit Obligation	Pension Fund Assets	Net Obligation	Unamortized Estimation Adjustments[1]	Pension Liabilities	Pension Liabilities
TSP[2]	Jun. 30/01	$ 3,775,556	$ 1,782,555	$ 1,993,001	$ 507,873	$ 2,500,874	$ 2,538,408
PSSP	Dec. 31/02	1,608,122	–	1,608,122	(213,529)	1,394,593	1,340,936
Others	Various	229,758	144,511	85,247	(4,549)	80,698	73,139
Total		$ 5,613,436	$ 1,927,066	$ 3,686,370	$ 289,795	$ 3,976,165	$ 3,952,483

[1] Amortized to income over 1 to 13 years, the estimated average remaining service life of active plan members at the time the estimation adjustment arises. The net estimation adjustment loss during the year is $60.3 million.

[2] The TSP accrued benefit obligation includes a liability of $77.8 million (2002 - $78.0 million) relating to the TSP disability provision.

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At March 31, 2003, the market value of plan investments was $1.6 billion (2002 - $1.9 billion). Of this amount, 43.5 per cent (2002 - 43.7 per cent) was invested in fixed income securities and 46.4 per cent (2002 - 50.7 per cent) in equity investments.

The TSP's actual rate of return on plan assets was (9.0) per cent (2002 - 4.9 per cent).

ii) Joint Trusteeship Plan

The Government also participates in the Saskatchewan Heathcare Employees' Pension Plan (SHEPP) a joint trusteeship pension plan, for employees of its twelve Regional Health Authorities.

SHEPP was established on December 31, 2002 through a Trust Agreement (Agreement) between the Saskatchewan Association of Health Organizations (SAHO) and unions representing plan members. Under the Agreement, an eight member joint board of trustees (four employer trustees appointed by SAHO and four employee trustees appointed by unions representing health care workers) operates and administers the plan.

Prior to December 31, 2002, this plan operated as the Saskatchewan Association of Health Organizations Retirement Plan and was governed by SAHO's Board of Directors.

At December 31, 2002, audited financial statements for the plan report a benefit obligation of $1.796 billion. This approximates the market related value of the plan's assets.

The Government contributes to the plan at the ratio of 1.12 to 1 of employee contributions. Any actuarially determined deficiency is the responsibility of participating employers and employees in the ratio of 1.12 to 1.

During the year, Government participating employer contributions to the plan were $35.5 million (2002 - $32.4 million). This represents approximately 93% of the employer contributions to the plan.

iii) Defined contribution plans

The two main multi-employer defined contribution plans sponsored by the Government are the Public Employees Pension Plan (PEPP) and the Capital Pension Plan (Capital). The Government provides contributions to the plans at specified rates for employee current service. The Government also contributes to the Saskatchewan Teachers' Retirement Plan (STRP), sponsored by the Saskatchewan Teachers' Federation and to the Regina Civic Employees Superannuation and Benefit Plan (RCESP)[2]. The Government has fully funded its share of contributions to the defined contribution plans.

Information on the defined contribution plans of government service organizations follows:

	2003					2002 (Restated)
	Government Sponsored					
	PEPP	Capital	RCESP[2]	STRP	Total	Total
Plan status	open	open	open	n/a	n/a	n/a
Member contribution rate, percentage of salary	5 - 6.35[1]	5 - 5.5[1]	6.3 - 7.9[1]	n/a	n/a	n/a
Government contribution rate, percentage of salary	6.25 - 6.35[1]	5.5 - 6[1]	6.3 - 7.9[1]	n/a	n/a	n/a
Government Service Organization participation:						
Number of active members	20,333	605	1,551	n/a	22,489	21,187
Number of inactive members	9,662	15	n/a	n/a	9,677	8,725
Member contributions (thousands of dollars)	$ 39,819	$ 1,632	$ 3,881	n/a	$ 45,332	$ 39,971
Government contributions (thousands of dollars)	40,222	1,736	3,861	$ 27,966	73,785	65,750

[1] Contribution rate varies based on employee group.

[2] Certain employees of the Regina Qu'Appelle Regional Health Authority participate in the RCESP which was established through a City of Regina bylaw. All costs are equally shared by the employees and employers. At December 31, 2002, audited financial statements for the plan report a benefit obligation of $600 million. This approximates the market related value of the plan's assets. As the RCESP is a multi-employer defined benefit pension plan, the plan is accounted for on a defined contribution basis and the Government's pension expenditure reflects its contributions to the plan.

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iv) Pension expenditure

Pension expenditure for government service organizations is allocated to education expenditure, health expenditure and other expenditure. Pension interest expenditure is included in debt charges. The total pension expenditure of government service organizations includes the following:

	(thousands of dollars) 2003	2002 (Restated)
Defined benefit plans:		
Current period benefit cost	$ 88,478	$ 73,114
Amortization of estimation adjustments	(116,169)	(89,196)
	(27,691)	(16,082)
Employee contributions	(27,655)	(28,637)
	(55,346)	(44,719)
Cost of financing unfunded pension obligation (pension interest expenditure)	236,191	231,670
Total pension expenditure, defined benefit plans	180,845	186,951
Other plans:		
Total pension expenditure, joint trusteeship plan	35,507	32,376
Total pension expenditure, defined contribution plans	73,785	65,750
Total Pension Expenditure	$ 290,137	$ 285,077

II) Government Business Enterprises

i) Defined benefit plans

The two main defined benefit plans of government business enterprises are the Power Corporation Superannuation Plan (SaskPower) and the Saskatchewan Telecommunications Pension Plan (SaskTel). Other plans include Saskatchewan Government Insurance Superannuation Plan, Liquor Board Superannuation Plan, and the Workers' Compensation Board Superannuation Plan.

The Government contributes the amount necessary to fund the payment of pension benefits.

Information on the defined benefit plans of government business enterprises follows:

	2003				2002
	SaskPower	SaskTel	Others	Total	Total
Plan status	closed	closed	closed	n/a	n/a
Member contribution rate, percentage of salary	6 -9[1]	7 - 9[2]	6.5 - 9[2]	n/a	n/a
Number of active members	622	757	155	1,534	1,649
Number of former members, superannuates and surviving spouses	1,736	1,606	486	3,828	3,767
Member contributions (thousands of dollars)	$ 1,996	$ 2,578	$ 430	$ 5,004	$ 5,051
Government contributions (thousands of dollars)	734	35	2,099	2,868	2,619
Benefits paid (thousands of dollars)	38,755	43,276	7,725	89,756	84,195

[1] Contribution rate varies based on age upon joining the plan and employee group.
[2] Contribution rate varies based on age upon joining the plan.

The assumptions used to determine the amounts under the defined benefit plans are as follows:

Rate of compensation increase	2.20% - 4.00%
Expected long-term rate of return on plan assets	6.20% - 7.25%
Discount rate	6.20% - 6.50%
Inflation rate	2.20% - 3.00%

Government of Saskatchewan
Notes to the Summary Financial Statements

Based on the latest actuarial valuations extrapolated to December 31, 2002 the present value of accrued pension benefits and the market related value of pension fund assets are shown in the table below:

(thousands of dollars)

		2003				
Plan Name	Actuarial Valuation Date	Accrued Benefit Obligation	Fair Value of Assets	Plan Deficit	Unamortized Amounts*	Pension (Surplus) Liabilities
SaskPower	Sept. 30/02	$ 671,529	$ 624,903	$ 46,626	$ 67,988	$ (21,362)
SaskTel	Dec. 31/01	817,202	695,604	121,598	165,433	(43,835)
Others	Various	119,510	90,846	28,664	5,035	23,629
Total		$ 1,608,241	$ 1,411,353	196,888	$ 238,456	$ (41,568)

* Includes unamortized transitional assets, unamortized (gains) losses and unamortized past service costs.

At December 31, 2002, 48.0 per cent (2001 - 45.6 per cent) of pension plan assets were invested in fixed income securities and 43.5 per cent (2001 - 45.6 per cent) in equity investments.

ii) Defined contribution plans

Information on the defined contribution plans of government business enterprises follows:

	2003			2002
	PEPP	Capital	Total	Total
Plan status	open	open	n/a	n/a
Member contribution rate, percentage of salary	5 - 6.35*	5 - 5.5	n/a	n/a
Number of active members	8,004	2,118	10,122	9,789
Number of inactive members	2,841	61	2,902	2,584
Member contributions (thousands of dollars)	$ 17,511	$ 4,553	$ 22,064	$ 20,042
Government contributions (thousands of dollars)	21,944	4,449	26,393	24,075

* Contribution rate varies based on employee group.

iii) Pension expense

Pension expense and pension interest expense for government business enterprises are included in income from government business enterprises. The pension expense (income) for the year for the defined benefit plans is $(9.8) million (2002 - $(28.2) million) and $26.4 million (2002 - $24.1 million) for the defined contribution plans.

b) Other Future Benefit Plans

Other future benefit plans of government business enterprises include defined benefit severance plans for management employees, union employees and the supplementary superannuation plan. The present value of accrued benefits is $38.9 million (2002 - $40 million) and the accrued benefit liability is $21.4 million (2002 - $20.9 million).

8. Reserves

The accumulated deficit of $9,283.9 million consists of an unallocated deficit component of $9,295.8 million and the Environmental Protection Reserve of $11.9 million. The Environmental Protection Reserve was created to provide contingency funding to mitigate unforeseen environmental problems related to uranium milling. The reserve is maintained at its March 31, 1992 balance.

9. Debt Charges

(thousands of dollars)

	2003	2002
Total interest costs	$ 1,147,426	$ 1,126,774
Interest reimbursed from government business enterprises	(269,487)	(260,838)
Other costs	16,450	24,848
Total Debt Charges	$ 894,389	$ 890,784

Government of Saskatchewan
Notes to the Summary Financial Statements

10. Expenditure by Object

(thousands of dollars)

	2003	2002
Transfers	$ 2,692,115	$ 2,893,844
Salaries and benefits	2,069,691	1,948,000
Operating costs	1,006,134	965,686
Debt charges	894,389	890,784
Tangible capital asset acquisitions	323,572	350,505
Other	1,143,589	374,609
Total Expenditure	$ 8,129,490	$ 7,423,428

11. Comparison of Planned to Actual Results

(thousands of dollars)

	2003 Planned	2003 Actual	2002 Actual
Surplus of the General Revenue Fund	$ 45	$ 860	$ 1,098
Income from government business enterprises		452,755	426,061
Deficit of other government service organizations		(105,871)	(297,248)
Dividends received from government organizations included in the surplus figures above		(829,545)	(658,628)
Adjustments to conform to the basis of accounting described in note 1(c)		(171,853)	45,749
Deficit		$ (653,654)	$ (482,968)

The planned and actual figures are before elimination of inter-organization transactions.

12. Contingencies

Guaranteed debt

Debt of $319.9 million (2002 restated - $401.1 million) is guaranteed by the Government. Schedule 10 provides a listing of guaranteed debt.

Lawsuits

Up to $63.5 million may be paid depending on the outcome of lawsuits in progress.

Indian and Northern Affairs Canada

The Government pays for certain social services provided to status Indians and submits claims to the federal government for the cost of these services. The Government believes these costs are the responsibility of the federal government and that these costs are fully reimbursable. However, the federal government denies responsibility for a portion of these costs.

The Government is unable to determine whether the outstanding amounts will be reimbursed. The Government will account for any recovery resulting from the resolution of this contingency at the time of settlement. No provision for such a recovery has been made in these financial statements.

Other

Other contingencies of $3.1 million may be paid depending on the outcome of future events.

13. Commitments

Significant financial commitments include:

- forward purchase commitments of $1,925.2 million for coal contracted for future minimum deliveries valued at current prices;
- forward purchase commitments of approximately $4,700 million for power over the next 25 years;
- treaty land entitlement agreement commitments valued at approximately $48.3 million;

Government of Saskatchewan
Notes to the Summary Financial Statements

- other commitments of $517.3 million which include commitments of $19.3 million for agriculture, $19.7 million for community development, $55.3 million for economic development, $62.0 million for education, $59.3 million for health, $115.5 million for social services and assistance, and $67.0 million for transportation; and

- operating and capital lease obligations as follows:

(thousands of dollars)

	Operating	Capital
Future minimum lease payments		
2003-04	$ 71,017	$ 20,403
2004-05	74,752	19,181
2005-06	61,109	17,335
2006-07	49,462	14,779
2007-08	40,958	11,716
Thereafter	33,521	64,701
	330,819	148,115
Interest and executory costs	-	(67,217)
Total Lease Obligations	$ 330,819	$ 80,898

Total operating lease obligations include $191.7 million for government service organizations and $139.1 million for government business enterprises.

Total capital lease obligations include $61.6 million for government service organizations (schedule 6) and $19.3 million for government business enterprises.

14. Trust Funds

Trust funds are property held and administered on behalf of beneficiaries. Trust assets are not owned by the Government and the Government has no equity in the funds. Therefore, trust funds are not included in the reporting entity.

Fund balances held and administered by the Government at March 31, 2003, are as follows:

(thousands of dollars)

	2003	2002 (Restated)
Superannuation funds and pension plans[1]	$ 7,470,428	$ 8,108,961
Public Trustee's Trust Account	121,788	139,542
Other trusts	36,371	30,161
Total Trust Funds	$ 7,628,587	$ 8,278,664

[1] The balance reflects the latest financial statements of the funds and plans closest to March 31, 2003.

15. Adjustment to Accumulated Deficit

During 2002-03, a government business partnership adopted the asset and liability method of accounting for income taxes as recommended by the Canadian Institute of Chartered Accountants (CICA). As a result, the Government recorded an increase in other investments of $77.8 million and a corresponding decrease in the accumulated deficit. The comparative figures have not been restated. The effect of this change in accounting policy in the current year is a decrease in investment income of $3.3 million.

16. Comparative Figures

Certain of the 2002 comparative figures have been reclassified to conform with the current year's presentation.

Government of Saskatchewan
Schedules to the Summary Financial Statements

For the Year Ended March 31, 2003

Schedule 1 - Accounts Receivable

(thousands of dollars)

	2003	2002
Taxation	$ 155,407	$ 159,888
Non-renewable resources	137,522	123,961
Other own-source revenue	480,160	448,145
Transfers from the federal government	154,333	54,998
	927,422	786,992
Provision for loss	(81,773)	(78,837)
Total Accounts Receivable	$ 845,649	$ 708,155

Schedule 2 - Loans and Mortgages Receivable

(thousands of dollars)

	2003	2002
Agricultural loans	$ 67,111	69,829
Student loans	59,602	37,536
Other loans	58,292	63,959
Mortgages	4,190	4,650
	189,195	175,974
Provision for loss	(62,803)	(63,798)
Total Loans and Mortgages Receivable	$ 126,392	$ 112,176

See page 59 for additional information.

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Schedules to the Summary Financial Statements

Schedule 2 (continued) - Loans and Mortgages Receivable

Agricultural Loans

Capital loan program

The Government holds $51.5 million (2002 - $64.0 million) in loans under the Capital loan program. These loans are repayable over terms not exceeding twenty-five years and bear interest at rates between 5.0 per cent and 13.5 per cent (2002 - 6.0 to 13.5 per cent). Security on individual loans varies and may include mortgages on real property, security agreements and guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*. A loss provision of $17.1 million (2002 - $21.0 million) has been recorded on these loans.

Other agricultural loans

The Government holds $15.6 million (2002 - $5.8 million) in loans under various other agricultural loan programs. The interest on these loans ranges from 5.0 to 10.5 per cent (2002 - 3.4 to 10.5 per cent). Generally, the loans are secured by promissory notes and, where applicable, by guarantees or general security arrangements. A loss provision of $4.3 million (2002 - $3.2 million) has been recorded on these loans.

Student Loans

The program operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. Loans are interest-free until the discontinuance of full-time studies or graduation. Interest rates are prescribed by the Minister of Learning. Special incentive loan remission grants, student bursaries, scholarships, study grants and other varieties of loan forgiveness are available to students who meet specific criteria.

A Risk Sharing Student Loans Agreement between the Government and a bank was signed in March 1996. This Agreement covers loans approved between August 1, 1996 and July 31, 2001. The Government retained responsibility for loan approval. Loans approved are lender-financed, disbursed, managed and collected by the bank. The Government pays a risk premium of 5.0 per cent to the bank when loans become repayable.

In June 2001, the Government entered into an agreement with the federal government to integrate the federal and provincial student loans programs. This agreement is effective for loans approved on or after August 1, 2001 and establishes the Government as financier of the program. The Government approves applications for both provincial and federal loans. Disbursement, administration and collection of loans is contracted to external agencies.

A loss provision of $19.5 million (2002 - $12.0 million) has been recorded on these loans.

Other Loans

The Government's loan portfolio also consists of numerous other loans at various interest rates. Maturities on these loans extend to 2022. A loss provision of $21.7 million (2002 - $27.3 million) has been recorded on these loans.

Mortgages

Mortgages were provided pursuant to *The Saskatchewan Housing Corporation Act*. These housing mortgages are repayable, at various interest rates, over terms not exceeding thirty-five years. Security on the mortgages may include promissory notes or charges against residential property. A loss provision of $0.2 million (2002 - $0.3 million) has been recorded on these mortgages.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 3 - Investment in Government Business Enterprises

		SaskEnergy Incorporated Dec. 31, 2002	Saskatchewan Power Corporation Dec. 31, 2002	Saskatchewan Telecom-munications Holding Corporation Dec. 31, 2002	Liquor and Gaming Authority Mar. 31, 2003	Saskatchewan Gaming Corporation Mar. 31, 2003
Assets						
Cash and temporary investments						
Due from government organizations	$				23,047	
Other		1,831	93,133	34,367	3,061	21,236
Accounts receivable						
Due from government organizations				97,648		
Other		119,507	150,656	3,308	27,616	469
Inventories		5,329	103,671	12,997	15,140	179
Prepaid expenses			19,137		5,517	757
Long-term investments						
In the Government				22,951		
Other		15,832	21,936	936,290		
Capital assets		1,025,266	3,185,213		80,250	61,036
Other assets						
Due from government organizations			4,500			
Other		147,778	46,051	113,258	3,202	
Total Assets		**1,315,543**	**3,624,297**	**1,220,819**	**157,833**	**83,677**
Liabilities						
Accounts payable and accrued liabilities						
Due to government organizations		13,955	58,141	7,588		
Other		107,081	168,733	89,581	36,150	10,031
Dividends payable to government organizations		4,460	19,354	5,265	95,244	32,013
Debt						
Owing to government organizations		786,980	1,788,784	427,419		
Other		4,816	97,060	1,009		33,398
Unearned revenue						
Received from government organizations		2,371				
Other		101,716	308,151	30,406		
Unpaid insurance claims						
Other liabilities				11,871	26,135	8,235
Total Liabilities		**1,021,379**	**2,440,223**	**573,139**	**157,529**	**83,677**
Net Assets (Liabilities)	**$**	**294,164**	**1,184,074**	**647,680**	**304**	**-**
Revenue						
Revenue from operations	$	642,914	1,111,624	850,138	661,698	86,259
Transfers from government organizations		11,626	17,560	43,116		
Total Revenue		**654,540**	**1,129,184**	**893,254**	**661,698**	**86,259**
Expenses						
Expenses from operations		575,656	759,212	732,630	336,231	54,246
Transfers to government organizations		72,020	243,271	55,084		
Total Expenses[3]		**647,676**	**1,002,483**	**787,714**	**336,231**	**54,246**
Income (loss) before non-recurring items		6,864	126,701	105,540	325,467	32,013
Non-recurring items				(40,394)		
Net Income (Loss)		**6,864**	**126,701**	**65,146**	**325,467**	**32,013**
Retained earnings - beginning of year, as previously reported		220,969	479,719	391,127	2,619	-
Restatement of prior years					897	
Dividends to government organizations		(4,460)	(82,339)	(58,631)	(328,679)	(32,013)
Retained earnings (deficit) - end of year		223,373	524,081	397,642	304	-
Equity advances/share capital		71,531	659,993	250,000		
Investment in Government Business Enterprises		**294,904**	**1,184,074**	**647,642**	**304**	**-**
Other equity[4]		(740)		38		
Net Assets (Deficiency)	$	294,164	1,184,074	647,680	304	-

See page 62 for additional information.

[3] Adjustments include:
- reclassifying dividends paid by March 31, 2003;
- reclassifying cross currency swaps of Saskatchewan Power Corporation; and
- reversing the loss recognized by Municipal Financing Corporation for a premium paid to a government service organization on an exchange of debt.

(thousands of dollars)

Municipal Financing Corporation of Saskatchewan Dec. 31, 2002	Saskatchewan Government Insurance Dec. 31, 2002	Saskatchewan Auto Fund Dec. 31, 2002	Workers' Compensation Board (Saskatchewan)[2] Dec. 31, 2002	Saskatchewan Government Growth Fund Management Corporation Dec. 31, 2002	Adjustments[1]	Total 2003	Total 2002
2,554	30,280	76,545	25,916	1,655	(29,879)	$ **23,047**	$ 32,348
						260,699	361,709
	3,860	7,589	8,959				
936	67,026	94,483	28,264	1,167		**118,056**	15,432
						493,432	568,835
	65,411	18,189				**137,316**	129,155
						109,011	134,876
	5,522	9,339	6,374				
22,179	265,997	674,229	777,195	1,358		**44,186**	23,921
	10,893	42,305	20,302	4		**2,715,016**	1,845,970
						4,425,269	5,158,525
	1,243					**4,500**	4,000
					(12,334)	**299,198**	260,016
25,669	**450,232**	**922,679**	**867,010**	**4,184**	**(42,213)**	**8,629,730**	8,534,787
402	11,921	24,409	7,435			**123,851**	120,764
4	16,214	12,426	23,281	485		**463,986**	461,302
				800	(29,879)	**127,257**	92,703
15,075					(21,489)	**2,996,769**	3,100,193
						136,283	136,051
						2,371	2,375
	128,942	217,498				**786,713**	736,929
	206,155	665,522	778,461			**1,650,138**	1,500,866
	1,916		101,328			**149,485**	135,858
15,481	**365,148**	**919,855**	**910,505**	**1,285**	**(51,368)**	**6,436,853**	6,287,041
10,188	**85,084**	**2,824**	**(43,495)**	**2,899**	**9,155**	$ **2,192,877**	$ 2,247,746
2,361	227,923	509,655	188,890	3,358		$ **4,284,820**	$ 4,161,695
		3,571	13,669			**89,542**	75,794
2,361	**227,923**	**513,226**	**202,559**	**3,358**	-	**4,374,362**	4,237,489
313	227,626	473,740	288,594	3,765	993	**3,453,006**	3,403,562
2,706	9,060	38,631	7,435			**428,207**	407,866
3,019	**236,686**	**512,371**	**296,029**	**3,765**	**993**	**3,881,213**	3,811,428
(658)	(8,763)	855	(93,470)	(407)	(993)	**493,149**	426,061
						(40,394)	-
(658)	**(8,763)**	**855**	**(93,470)**	**(407)**	**(993)**	**452,755**	426,061
10,846	38,847	1,969	49,975	4,105	11,038	**1,211,214**	1,421,845
					(897)	-	(178,064)
				(800)		**(506,922)**	(458,628)
10,188	30,084	2,824	(43,495)	2,898	9,148	**1,157,047**	1,211,214
	55,000			1	7	**1,036,532**	1,036,532
10,188	**85,084**	**2,824**	**(43,495)**	**2,899**	**9,155**	**2,193,579**	2,247,746
						(702)	-
10,188	85,084	2,824	(43,495)	2,899	9,155	$ **2,192,877**	$ 2,247,746

[1] Net assets are restricted as disclosed on page 62.

[2] Total expenses include debt charges, net of sinking fund earnings, of $238.3 million (2002 - $290.7 million). Interest in the amount of $245.8 million (2002 - $249.0 million) was paid to government organizations.

[3] Other equity consists of unrealized gains (losses) on translation of self-sustaining foreign operations, which have no impact on the Government's investment.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 3 (continued) - Investment in Government Business Enterprises

SaskEnergy Incorporated (SaskEnergy)

SaskEnergy promotes, transports, stores and distributes natural gas in Saskatchewan.

Saskatchewan Power Corporation (SaskPower)

SaskPower generates, purchases, transmits, distributes and sells electricity and related products and services.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel markets and supplies a range of voice, data, internet, wireless, text, image and entertainment products, systems and services. Through interconnection agreements, SaskTel is part of the national and global communications network.

Liquor and Gaming Authority (SLGA)

SLGA's main functions are to control the manufacture and distribution of beverage alcohol throughout the Province, to oversee the licencing of all establishments selling alcohol in the Province and to maintain the integrity of all licenced gaming while ensuring maximum benefit to Saskatchewan charities.

Saskatchewan Gaming Corporation (SGC)

SGC manages and operates Casino Regina and Casino Moose Jaw.

Municipal Financing Corporation of Saskatchewan (MFC)

MFC's objective is to assist municipalities in financing their capital requirements.

Saskatchewan Government Insurance (SGI) & Saskatchewan Auto Fund (Auto Fund)

SGI's competitive general insurance business, SGI CANADA, offers a comprehensive line of home, tenant, farm, automobile extension and commercial coverages.

The Auto Fund, the provincial compulsory vehicle insurance program, is administered by SGI on behalf of the Government. Any net assets of the Auto Fund are held on behalf of Saskatchewan's motoring public and are not used for the payment of dividends to the General Revenue Fund.

Workers' Compensation Board (Saskatchewan) (WCB)

WCB provides workers' compensation insurance to Saskatchewan workers and employers. Any net assets of the WCB cannot be used for the payment of dividends to the General Revenue Fund.

Saskatchewan Government Growth Fund Management Corporation (SGGF)

SGGF participates in the federal government's Immigrant Investor Program to acquire lower cost capital for commercial investment in Saskatchewan. Investment funds are raised through eight subsidiary fund companies and are managed by Crown Capital Partners Inc., a fund manager.

In March 1999, the Immigrant Investor Program ended. However, with a significant number of subscribers yet to complete their subscription requirements, the funds will require management by SGGF for at least the next six years.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 - Other Investments

(thousands of dollars)

	2003	2002
Equity Investments		
Government Business Partnerships	$ 81,438	$ (11,446)
Saskferco Products Inc.	116,055	109,303
Meadow Lake OSB Limited Partnership	27,478	250
Other	40,963	38,511
	265,934	136,618
Portfolio Investments		
HARO Financial Corporation	68,000	68,000
Other	36,876	43,814
	104,876	111,814
Bonds, Debentures and Other Advances		
HARO Financial Corporation	139,029	171,141
Meadow Lake Pulp Limited Partnership	158,361	150,361
Other	51,746	65,995
	349,136	387,497
Property Holdings	5,509	5,028
Total Other Investments	$ 725,455	$ 640,957

See pages 64-66 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Government Business Partnerships

The Government has invested in government business partnerships to promote economic growth and provide an economic return. At March 31, 2003, the Government's investment in government business partnerships includes:

- a 50 per cent interest in NewGrade Energy Inc., which operates a heavy oil upgrading plant in Regina;
- a 35 per cent interest in Centennial Foods Partnership, a value-added food manufacturing and distribution business in Saskatoon;
- a 33.3 per cent interest in Foragen Technologies Limited Partnership, a venture capital fund which provides seed capital to technology corporations; and
- a 50 per cent interest in Meadow Lake Pulp Limited Partnership, which operates a pulp mill near Meadow Lake.

Condensed Financial Information for Government Business Partnerships

	(thousands of dollars) 2003	2002
Assets		
Capital assets	$ 256,826	$ 284,836
Other assets	488,855	269,694
Total Assets	745,681	554,530
Liabilities		
Debt		
Owing to government organizations	599,357	550,506
Other	212,585	243,849
Other liabilities	160,669	114,206
Total Liabilities	972,611	908,561
Net Liabilities	$ (226,930)	$ (354,031)
Operating Results		
Revenue	$ 1,317,848	$ 1,095,858
Expenses	1,351,710	1,140,889
Net Operating Results	(33,862)	(45,031)
Net Operating Deficiency - beginning of year	(528,318)	(483,286)
Effect of prior period adjustment	155,662	-
Net Operating Deficiency - end of year	(406,518)	(528,317)
Equity advances/share capital (net of partnership distributions)	179,588	174,286
Net Deficiency	$ (226,930)	$ (354,031)
Investment in Government Business Partnerships		
Government's share of Net Operating Deficiency - end of year	$ (201,821)	$ (263,631)
Government's investment [1]	93,324	90,051
Adjustments [2]	189,935	162,134
Total Investment in Government Business Partnerships [3]	$ 81,438	$ (11,446)

[1] Government's investment includes the Government's initial investment net of partnership distributions as well as subsequent cash injections provided under various terms and conditions.

[2] Adjustments include:
- elimination of expenditures included in the Government's share of accumulated operating deficiency above and also consolidated as part of the operations of government service organizations; and
- recording additional operating expenditures incurred by the Government's subsidiaries through which the Government has made these investments.

[3] Total investment in government business partnerships includes:

	(thousands of dollars) 2003	2002
NewGrade Energy Inc.	$ 109,553	$ 14,931
Centennial Foods Partnership	17,984	19,614
Foragen Technologies Limited Partnership	4,144	2,275
Meadow Lake Pulp Limited Partnership	(50,243)	(48,266)
	$ 81,438	$ (11,446)

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Saskferco Products Inc. (Saskferco)

The Government holds a 49.0 per cent voting interest in Saskferco, a nitrogen fertilizer plant in Belle Plaine.

Meadow Lake OSB Limited Partnership (ML OSB)

The Government entered into a limited partnership, ML OSB, with Tolko Industries Ltd., Meadow Lake OSB Mill Corporation and Northwest Communities Wood Products Ltd. for the purpose of constructing and operating an oriented strand board facility in Saskatchewan. The Government has fulfilled its commitment to invest up to $27.5 million in ML OSB representing a 25 per cent ownership interest.

HARO Financial Corporation (HARO)

In 1992, the Government entered into a Term Loan agreement with HARO Financial Corporation (HARO). The loan was for an initial five-year term with a maximum of four five-year renewal terms at the option of HARO. In 2002, the Government agreed to renew this loan for a third five-year term. Annual interest rates on the loan are fixed at the start of each renewal term. For the third five-year term, the interest rate on the loan is 5.50 per cent compounded annually.

Security for the loan is 100 per cent of HARO's assets, which consist primarily of HARO's 65.2 per cent interest in Crown Life Insurance Company (Crown Life) shares.

Payment of principal and interest is subject to available cash flow as defined in the loan agreement. Due to collection uncertainty, the Government will record interest income when payments are received. The Government's total interest deferred and owing at March 31, 2003 is $185.7 million (2002 - $172.6 million).

All unpaid principal and interest is due on December 15, 2017. On that date, any amounts outstanding will convert to 100 per cent of HARO equity shares. The Government has a unilateral right, prior to December 15, 2017, to convert no less than 25 per cent of the loan to either HARO non-voting, HARO voting or Crown Life shares. Any conversion may be subject to regulatory approval.

In 1995, the Government exercised its right to convert $68.0 million of its advances into 68,000,000 non-voting, fully participating equity shares of HARO. Ownership of the 68,000,000 of HARO's Class B non-voting common shares entitles the Government to a maximum of 100 per cent of participation rights with respect to dividends and remaining property of HARO on its liquidation or dissolution. Subject to regulatory approval, the Government has a unilateral right to exchange at any time the Class B shares for voting shares or HARO's assets.

Meadow Lake Pulp Limited Partnership (MLPLP)

In addition to its equity interest in MLPLP, the Government has also provided the following loans:

Participating Debenture of $99.0 million (2002 - $99.0 million) bearing interest at 11.15 per cent calculated on October 31 of each year;

Term Loan of $20.0 million (2002 - $20.0 million) bearing interest at prime plus 2.0 per cent, which is 6.75 per cent at March 31, 2003 (2002 - 5.75 per cent). Any interest outstanding and not paid on October 31 of each year is added to the principal balance;

Contingency Loan of $10.9 million (2002 - $10.9 million) bearing interest at prime plus 1.0 per cent, which is 5.75 per cent at March 31, 2003 (2002 - 4.75 per cent). Any interest outstanding and not paid on October 31 of each year is added to the principal balance;

Guarantee Advance of $8.0 million (2002 - $8.0 million) bearing interest at prime plus 1.0 per cent, which is 5.75 per cent at March 31, 2003 (2002 - 4.75 per cent). Any interest outstanding and not paid on October 31 of each year is added to the principal balance;

Cash Flow Loan of $10.5 million (2002 - $10.5 million) bearing interest at prime plus 1.0 per cent, which is 5.75 per cent at March 31, 2003 (2002 - 4.75 per cent). Any interest outstanding and not paid on October 31 of each year is added to the principal balance; and

Guarantee Loan of $10.0 million (2002 - $2.0 million) bearing interest at prime plus 1.0 per cent, which is 5.75 at March 31, 2003. Any interest outstanding and not paid on October 31 of each year is added to the principal balance.

The Government records, as a separate loan (Interest Loan), the accrued interest receivable from the Participating Debenture. Interest on the Interest Loan, at 11.15 per cent, is calculated on October 31 of each year and is added to the principal balance outstanding on the loan. Interest income earned and forming part of the Interest Loan is recorded as deferred interest income due to the uncertainty of collection. The deferred interest income will be recorded as income when payments are received under the cash availability formula. The total deferred interest is $383.0 million (2002 - $326.4 million).

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 4 (continued) - Other Investments

Any payments to be made on the Participating Debenture, Contingency Loan, Guarantee Advance, Cash Flow Loan, Guarantee Loan and the Interest Loan are subject to available cash flows as defined in the loan agreements. Payments towards principal outstanding on the Term Loan are due in two equal instalments after MLPLP has fully repaid an external bank loan. The Participating Debenture, Term Loan, Contingency Loan and Interest Loan mature in 2014. The remaining balance outstanding on the Participating Debenture and Interest Loan on October 31, 2014 shall bear interest at a rate equal to the Government's short-term cost of borrowing, which at March 31, 2003 is 3.24 per cent (2002 - 2.5 per cent), until paid in full.

Due to the uncertainty of cash flows from MLPLP, the Government's Participating Debenture is shown net of a loss provision of $60.0 million (2002 - $60.0 million).

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 5 - Accounts Payable and Accrued Liabilities

(thousands of dollars)

	2003	2002
Transfers		
Federal government	$ 94,032	$ 101,942
Other	223,417	218,240
Accrued salaries and benefits	289,979	275,366
Supplier payments	213,318	201,440
Accrued interest	166,715	165,456
Other	284,001	75,291
Total Accounts Payable and Accrued Liabilities	**$ 1,271,462**	$ 1,037,735

Schedule 6 - Other Liabilities

(thousands of dollars)

	2003	2002
Funds held on behalf of government business enterprises and others		
Liquor and Gaming Authority	$ 17,932	$ 32,348
Court of Queen's Bench	10,486	8,335
Teachers' Superannuation Commission	4,259	3,876
Public Employees' Pension Plan	3,043	6,279
Millenium Scholarship Trust Fund	-	9,781
Other	26,087	22,141
	61,807	82,760
Capital lease obligations (note 13)	61,637	47,790
Other	26,455	16,289
Total Other Liabilities	**$ 149,899**	$ 146,839

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 7 - Public Debt

(thousands of dollars)

	2003			2002
	Gross Public Debt	Sinking Funds [3]	Public Debt	Public Debt (Restated)
Government Service Organizations				
General Revenue Fund [1]	$ 8,512,375	$ (690,949)	$ 7,821,426	$ 7,561,899
Saskatchewan Opportunities Corporation	145,800	(3,826)	141,974	162,403
Regional Health Authorities	118,151	-	118,151	123,241
Saskatchewan Housing Corporation	116,293	(2,286)	114,007	155,389
Saskatchewan Crop Insurance Corporation	113,000	-	113,000	-
Information Services Corporation of Saskatchewan	64,606	-	64,606	54,336
Saskatchewan Water Corporation	53,266	(3,771)	49,495	38,948
Education Infrastructure Financing Corporation	38,224	-	38,224	-
Agricultural Credit Corporation of Saskatchewan	23,617	-	23,617	39,351
Crown Investments Corporation of Saskatchewan (non-consolidated)	20,919	(5,443)	15,476	20,010
Other	6,276	(679)	5,597	12,113
Debt of Government Service Organizations	9,212,527	(706,954)	8,505,573	8,167,690
Government Business Enterprises				
Saskatchewan Power Corporation	1,985,331	(120,976)	1,864,355	1,888,300
SaskEnergy Incorporated	812,204	(20,408)	791,796	841,763
Saskatchewan Telecommunications Holding Corporation	462,880	(34,452)	428,428	436,929
Saskatchewan Gaming Corporation	33,398	-	33,398	35,387
Municipal Financing Corporation of Saskatchewan	15,075	-	15,075	33,865
	3,308,888	(175,836)	3,133,052	3,236,244
Net change to March 31	75,370	(3,379)	71,991	25,224
Debt of Government Business Enterprises [2]	3,384,258	(179,215)	3,205,043	3,261,468
Total Public Debt [4]	$ 12,596,785	$ (886,169)	$ 11,710,616	$ 11,429,158

Debt repayable in foreign currency has been restated in Canadian dollar equivalents.

[1] General Revenue Fund debt is shown net of $3,077.9 million (2002 - $3,149.3 million) reimbursable from government business enterprises and $548.9 million (2002 - $458.9 million) reimbursable from government service organizations.

[2] The debt of government business enterprises is as presented in their audited financial statements closest to March 31, 2003, as disclosed on schedule 3. The balance is adjusted for the net change to March 31, 2003.

[3] See schedule 8 for information on sinking funds.

[4] See schedule 9 for information on public debt by maturity.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 8 - Sinking Funds

(thousands of dollars)

	2002	2003				
	Sinking Funds	Contributions	Earnings	Redemptions	Currency Adjustment	Sinking Funds
Government Service Organizations						
General Revenue Fund	$ 604,004	$ 57,466	$ 50,827	$ -	$ (21,348)	$ 690,949
Crown Investments Corporation of Saskatchewan (non-consolidated)	155,017	-	8,486	(158,060)	-	5,443
Saskatchewan Water Corporation	3,294	302	175	-	-	3,771
Saskatchewan Opportunities Corporation	2,798	850	178	-	-	3,826
Saskatchewan Housing Corporation	1,603	585	98	-	-	2,286
Saskatchewan Property Management Corporation	-	674	5	-	-	679
Sinking Funds of Government Service Organizations	766,716	59,877	59,769	(158,060)	(21,348)	706,954
Government Business Enterprises						
Saskatchewan Power Corporation	97,634	15,014	8,605	-	(277)	120,976
Saskatchewan Telecommunications Holding Corporation	28,721	3,209	2,736	-	(214)	34,452
SaskEnergy Incorporated	15,431	4,040	937	-	-	20,408
	141,786	22,263	12,278	-	(491)	175,836
Net Change to March 31	8,415	(215)	2,622	-	(7,443)	3,379
Sinking Funds of Government Business Enterprises	150,201	22,048	14,900	-	(7,934)	179,215
Total Sinking Funds	$ 916,917	$ 81,925	$ 74,669	$ (158,060)	$ (29,282)	$ 886,169

The market value of sinking funds, at March 31, 2003, is $934.9 million (2002 - $912.3 million).

Sinking fund earnings include gains on investment sales of $22.3 million (2002 - $4.4 million).

Annual contributions, when established by Order in Council, are set at not less than 1 per cent of debentures outstanding. The redemption value is based on the market value of the sinking fund units at the date of redemption.

The aggregate amount of contributions estimated to be required in each of the next five fiscal years to meet sinking fund requirements are:

(thousands of dollars)

	Government Service Organizations	Government Business Enterprises	Total
2003-04	$ 62,481	$ 23,154	$ 85,635
2004-05	59,776	22,420	82,196
2005-06	50,649	22,420	73,069
2006-07	48,399	21,670	70,069
2007-08	46,399	21,670	68,069
	$ 267,704	$ 111,334	$ 379,038

Sinking fund assets have been invested as follows:

(thousands of dollars)

	2003	2002
Long-term investments		
Other provincial governments' securities, coupon interest range 4.6% to 10.5%, maturing in 2.2 to 36.3 years	$ 344,190	$ 275,749
Government of Saskatchewan securities, coupon interest range 5.3% to 10.3%, maturing in 1.3 to 28.4 years	280,970	312,711
Government of Canada securities, coupon interest range 4.4% to 8.0%, maturing in 5.0 to 26.2 years	110,008	226,235
Government of the United States securities, coupon interest range 3.9% to 6.3%, maturing in 9.9 to 27.9 years	44,664	47,628
Cash, short-term investments and accrued interest	106,337	54,594
Total Sinking Funds	$ 886,169	$ 916,917

Short-term investments include $16.0 million (2002 - $0 million) in Government of Saskatchewan securities.

Cash, short-term investments and accrued interest are disclosed net of $1.8 million (2002 - $2.0 million) in liabilities.

Included in total sinking funds are U.S. dollar cash, investments and accrued interest converted to $371.0 million Canadian (2002 - $337.6 million) at the exchange rate in effect at March 31, 2003 of 1.4693 (2002 - 1.5935).

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 9 - Public Debt by Maturity

(thousands of dollars)

Year of Maturity	2003 Canadian Dollar Debt	2003 U.S. Dollar Debt (CDN $)	2003 Total (CDN $)	2003 Average Coupon Rate	2002 Total (CDN$) (Restated)	2002 Average Coupon Rate (Restated)
Government Service Organizations						
Short-term promissory notes	$ 315,793	$ -	$ 315,793	2.87%	$ 232,400	2.26%
2002-03	-	-	-	-	412,801	9.64%
2003-04	398,541	-	398,541	7.15%	370,998	7.42%
2004-05	1,116,547	-	1,116,547	8.52%	1,120,811	8.51%
2005-06	764,384	-	764,384	6.21%	768,842	6.20%
2006-07	1,127,744	-	1,127,744	5.85%	1,130,294	5.85%
2007-08	466,003	-	466,003	5.06%	-	
1-5 years	4,189,012	-	4,189,012		4,036,146	
6-10 years	2,543,038	293,860	2,836,898	7.24%	2,049,891	6.90%
11-15 years	634,204	330,593	964,797	9.06%	1,666,362	8.66%
16-20 years	144,100	587,720	731,820	8.55%	582,657	8.79%
21-25 years	-	-	-	-	159,350	8.50%
26-30 years	440,000	-	440,000	6.03%	440,000	6.03%
Thereafter	50,000	-	50,000	5.70%	-	
	8,000,354	1,212,173	9,212,527		8,934,406	
Sinking funds	(440,363)	(266,591)	(706,954)		(766,716)	
Debt of Government Service Organizations	7,559,991	945,582	8,505,573		8,167,690	
Government Business Enterprises						
Short-term promissory notes	81,707	-	81,707	2.87%	169,600	2.26%
2002-03	-	-	-	-	19,783	13.01%
2003-04	156,420	11,755	168,175	9.39%	169,736	9.40%
2004-05	209,819	-	209,819	11.40%	207,965	11.49%
2005-06	252,836	-	252,836	8.67%	191,975	9.85%
2006-07	129,570	-	129,570	9.52%	128,691	9.55%
2007-08	266,455	182,193	448,648	7.76%	-	
1-5 years	1,096,807	193,948	1,290,755		887,750	
6-10 years	410,686	-	410,686	7.37%	816,415	7.72%
11-15 years	29,373	110,198	139,571	7.37%	149,323	7.36%
16-20 years	300,034	587,720	887,754	8.99%	618,517	9.23%
21-25 years	190,676	-	190,676	8.66%	514,848	8.55%
26-30 years	460,000	-	460,000	6.26%	420,000	6.15%
Thereafter	4,816	-	4,816	13.50%	4,816	13.50%
	2,492,392	891,866	3,384,258		3,411,669	
Sinking funds	(74,838)	(104,377)	(179,215)		(150,201)	
Debt of Government Business Enterprises	2,417,554	787,489	3,205,043		3,261,468	
Total Public Debt	$ 9,977,545	$ 1,733,071	$ 11,710,616		$ 11,429,158	

See page 71 for additional information

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 9 (continued) - Public Debt by Maturity

The average effective interest rate paid on total public debt during 2002-03 was 7.23 per cent (2001-02 - 7.96 per cent) and includes the impact of foreign exchange and the amortization of any premiums or discounts associated with the debentures. The average term to maturity of total public debt outstanding at March 31, 2003 is 8.4 years (2002 - 9.2 years).

Total public debt includes Canada Pension Plan debentures of $1,150.7 million (2002 - $1,219.6 million). These debentures are callable in whole or in part before maturity, on 30 days prior notice, at the option of the Minister of Finance of Saskatchewan.

Total public debt includes debentures of $390.0 million (2002 - $390.0 million) that provide the holder with a choice of dates on which the debt matures. The year of maturity reflects the earliest possible date of maturity rather than the maximum term to maturity.

Sensitivity of Debt Charges

U.S. dollar debentures have been converted to Canadian dollars at the exchange rate in effect at March 31, 2003 of 1.4693 (2002 - 1.5935). A one cent change in the value of the U.S. dollar compared to the Canadian dollar from the March 31, 2003 level would change debt charges by $2.8 million in 2003-04.

Debt of government service organizations includes floating rate debt of $1,445.1 million (2002 - $1,632.6 million). Floating rate debt is defined as the sum of floating rate debentures, short-term promissory notes, fixed rate debt maturing within one year and Saskatchewan Savings Bonds. A one percentage point increase in interest rates would result in an increase in debt charges of $14.5 million in 2003-04.

Derivative Financial Instruments

Cross Currency Swaps

Included in total public debt are the following foreign-denominated debt issues that have been hedged to Canadian dollars using cross currency swaps:

- debentures totalling 12.5 billion yen (2002 - 22.5 billion) fully hedged to $161.8 million Canadian (2002 - $259.2 million);
- debentures totalling $862.0 million U.S. (2002 - $862.0 million) fully hedged to $1,192.4 million Canadian (2002 - $1,192.4 million);
- debentures totalling 0 million euros (2002 - 102.3 million) fully hedged to $0 million Canadian (2002 - $154.1 million); and

In total, the Government has cross currency swaps on a notional value of debt of $1,516.1 million (2002 - $2,089.8 million).

The Government also has future interest obligations totalling $8.0 million U.S. (2002 - $12.5 million) hedged to $10.7 million Canadian (2002 - $17.6 million).

Interest Rate Swaps and Forward Rate Agreements

The Government has interest rate swaps on a notional value of debt of $843.1 million (2002 - $1,197.2 million) and forward rate agreements on a notional value of debt of $125.0 million (2002 - $125.0 million).

Foreign Currency Forward Exchange Contracts

The Government has forward purchase commitments to acquire, during 2003-04, $43.9 million U.S. (2002-03 - $3.0 million) at a cost of $66.6 million Canadian (2002-03 - $4.8 million).

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 10 - Guaranteed Debt

(thousands of dollars)

	2003	2002 (Restated)
The Industry and Commerce Development Act		
Saskferco Products Inc.	$ 66,440	$ 115,171
The NewGrade Energy Inc. Act		
NewGrade Energy Inc.	59,045	78,093
The Crown Corporations Act, 1993		
Meadow Lake Pulp Limited Partnership	70,000	78,000
NewGrade Energy Inc.	45,100	59,654
The Power Corporation Act		
Luscar Ltd.	21,785	23,465
National Trust Company	7,837	10,003
The Farm Financial Stability Act		
Breeder associations	16,831	16,224
Feeder associations	10,431	11,839
Other	22,442	8,602
Total Guaranteed Debt	$ 319,911	$ 401,051

Total guaranteed debt is net of a loss provision of $1.8 million (2002 - $1.8 million).

In addition to the amount shown, there is a contingent liability for interest accrued on these items.

See page 73 for additional information.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 10 (continued) - Guaranteed Debt

Saskferco Products Inc. (Saskferco)

The Government has guaranteed certain medium-term notes issued by Saskferco. This guarantee pertains to debt denominated in U.S. dollars. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar. The amount recorded is net of $123.1 million (2002 - $120.7 million) for Saskferco's equity in a sinking fund.

NewGrade Energy Inc. (NewGrade)

The Government has guaranteed certain long-term debt of NewGrade to a maximum of $360 million. A significant portion of this guarantee relates to U.S. denominated debt. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar.

The Government has also indemnified the Government of Canada for its guarantee of NewGrade's long-term debt, to a maximum of $275 million.

Meadow Lake Pulp Limited Partnership (MLPLP)

The Government has guaranteed certain debentures issued by MLPLP to a maximum of $80 million. The debentures are due in 2006.

Luscar Ltd.

The Government has guaranteed a $45 million promissory note issued by Luscar Ltd. The amount recorded is net of $23.2 million (2002 - $21.5 million) for Luscar Ltd's equity in a sinking fund administered by the Minister of Finance. Luscar Ltd. repaid its promissory note in May 2003, extinguishing the guarantee.

National Trust Company

The Government is contingently liable for payments on certain leased mining equipment, which was assumed by the purchaser of a mining operation. The lease expires in 2004.

Breeder and Feeder Associations

The Government provides guarantees to lenders who make loans to production associations. The Government guarantees repayment of 25 per cent of the outstanding loan balance at the time of a first default on any advance, plus accrued interest as of the time that payment is to be made on the guarantee. Guarantees for each cattle or bison association are limited to $5 million under both the breeder and feeder options. Guarantees for each sheep association are limited to $4 million under both the breeder and feeder options.

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 11 - Revenue

(thousands of dollars)

	2003	2002
Taxation		
Individual income	$ 1,429,757	$ 1,196,410
Sales	813,932	770,984
Corporation capital	379,093	363,204
Fuel	331,512	353,765
Corporation income	178,267	145,338
Tobacco	158,472	120,049
Other	78,208	73,578
Total Taxation	3,369,241	3,023,328
Non-renewable Resources		
Oil	862,318	555,337
Potash	175,061	179,658
Natural gas	152,728	129,067
Other	53,542	38,982
Total Non-renewable Resources	1,243,649	903,044
Other Own-source Revenue		
Fees, permits and licences	516,673	542,858
Insurance	102,269	82,682
Interest and dividends	92,980	91,966
Earnings from equity investments	16,384	9,043
Gain on sale of other investments	3,418	111,517
Other	264,613	232,081
Total Other Own-source Revenue	996,337	1,070,147
Total Own-source Revenue	5,609,227	4,996,519
Transfers from the Federal Government		
Canada Health and Social Transfer	668,211	608,908
Crop insurance contributions	536,619	79,208
Housing subsidy	46,535	52,854
Equalization	(9,215)	492,017
Other	171,704	284,893
Total Transfers from the Federal Government	1,413,854	1,517,880
Total Revenue	$ 7,023,081	$ 6,514,399

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 12 - Gains and Losses on Other Investments

(thousands of dollars)

	2003	2002
Gain on Sale of Other Investments		
Cameco Corporation	$ -	$ 111,517
Great Western Brewing Company Limited	3,337	-
Other	81	-
Gain on Sale of Other Investments	3,418	111,517
Earnings (Losses) from Equity Investments		
NewGrade Energy Inc	16,792	19,735
Saskferco Products Inc	6,751	3,225
Foragen Technologies Limited Partnership	(654)	(725)
Centennial Foods Partnership	(1,365)	(337)
Meadow Lake Pulp Limited Partnership	(2,325)	(15,009)
Other	(2,815)	2,154
Net Earnings from Equity Investments	16,384	9,043
Provision for Loss	(9,077)	(6,164)
Net Gain on Other Investments	$ 10,725	$ 114,396

Schedule 13 - Net Change in Non-cash Operating Activities

(thousands of dollars)

	2003	2002
Decrease (increase) in prepaid expenditures	$ 5,663	$ (3,741)
Increase in accounts receivable	(137,494)	(47,166)
Decrease in inventories held for resale	3,261	53
(Increase) decrease in deferred charges	(3,626)	7,419
Increase (decrease) in accounts payable and accrued liabilities	233,727	(71,159)
(Decrease) increase in unearned revenue	(10,073)	17,297
Net Change in Non-cash Operating Activities	$ 91,458	$ (97,297)

Government of Saskatchewan
Schedules to the Summary Financial Statements

Schedule 14 - Reporting Entity

Government Service Organizations (Consolidated)

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Board
Agri-Food Equity Fund [2]
Agri-Food Innovation Fund
Board of Governors, Uranium City Hospital
Cattle Marketing Deductions Fund
CIC Industrial Interests Inc. [3c]
Commercial Revolving Fund
Community Initiatives Fund
Correctional Facilities Industries Revolving Fund
Crop Reinsurance Fund of Saskatchewan
Crown Investments Corporation of Saskatchewan (non-consolidated) [3c]
Education Infrastructure Financing Corporation [1]
Extended Health Care Plan [3c]
Extended Health Care Plan for Certain Other Employees [3c]
Fiscal Stabilization Fund
Fish and Wildlife Development Fund
Forest Fire Contingency Fund
General Revenue Fund
Government House Foundation
Health Quality Council [1]
Health Services Utilization and Research Commission [2]
Highways Revolving Fund
Horned Cattle Fund
Information Services Corporation of Saskatchewan [3c]
Law Reform Commission of Saskatchewan
Learning Resources Distribution Centre Revolving Fund
Livestock Services Revolving Fund
Milk Control Board [3c]
Northern Revenue Sharing Trust Account [3c]
Oil and Gas Environmental Fund
Operator Certification Board
Pastures Revolving Fund
Prairie Agricultural Machinery Institute
Public Employees Benefits Agency Revolving Fund
Public Employees Dental Fund [3c]
Public Employees Disability Income Fund [3c]
Public Employees Group Life Insurance Fund [3c]
Queen's Printer Revolving Fund
Regional Colleges [3a]
Regional Health Authorities [4]
Resource Protection and Development Revolving Fund
Saskatchewan Agricultural Stabilization Fund
Saskatchewan Apprenticeship and Trade Certification Commission [3a]
Saskatchewan Archives Board
Saskatchewan Arts Board
Saskatchewan Cancer Foundation
Saskatchewan Centre of the Arts Fund
Saskatchewan Communications Network Corporation
Saskatchewan Correspondence School Revolving Fund
Saskatchewan Crop Insurance Corporation
Saskatchewan Development Fund Corporation [3c]
Saskatchewan Grain Car Corporation [3a]
Saskatchewan Health Information Network
Saskatchewan Health Research Foundation [1]
Saskatchewan Heritage Foundation
Saskatchewan Housing Corporation [3c]
Saskatchewan Institute of Applied Science and Technology [3a]
Saskatchewan Legal Aid Commission
Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation
Saskatchewan Opportunities Corporation [3c]
Saskatchewan Property Management Corporation
Saskatchewan Research Council
Saskatchewan Student Aid Fund
Saskatchewan Transportation Company [3c]
Saskatchewan Water Corporation [3c]
Saskatchewan Watershed Authority [3]
Saskatchewan Western Development Museum
Sask911 Account
St. Louis Alcoholism Rehabilitation Centre
Training Completions Fund
Transportation Partnerships Fund
Victims' Fund
Water Appeal Board

Government Business Enterprises (Modified Equity)

Liquor and Gaming Authority
Municipal Financing Corporation of Saskatchewan
Saskatchewan Auto Fund
Saskatchewan Gaming Corporation
Saskatchewan Government Growth Fund Management Corporation
Saskatchewan Government Insurance
Saskatchewan Power Corporation
Saskatchewan Telecommunications Holding Corporation
SaskEnergy Incorporated
Workers' Compensation Board (Saskatchewan)

[1] Organization established during 2002-03.
[2] Organization wound up during 2002-03.
[3] Name changed from Saskatchewan Wetland Conservation Corporation during 2002-03.
[4] During 2002-03, the Government reorganized its 32 District Health Boards into 12 Regional Health Authorities.
[5] The year-ends of certain government service organizations differ from March 31, 2003. [a] June 2002, [b] July 2002, and [c] December 2002.